Daily Report

Latin America

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Cuba

Cut in U.S. Aid to Russia Over Nuclear Plant Issue

PA0607024795 Havana Radio Havana Cuba in Spanish 0000 GMT 6 Jul 95

[Commentary by Roberto Morejon from the "Evening Information Review" newscast]

[FBIS Translated Text] The Russian Government and authorities of other former Soviet republics were rightfully surprised and felt they had become victims of unprovoked aggression when they learned of U.S. plans to cut financial aid because of their cooperation with Cuba on nuclear matters. The House of Representatives decided to cut $15 million from a total of $595 million Washington had promised to distribute among the former republics of the Soviet Union.

The representatives made this decision after pointing to the former Soviet republics' cooperation with Cuba in this field and the threat allegedly posed by the nuclear power plant under construction in Cuba. According to official Cuban reports, Russia, Cuba, and several European and Latin American firms for the past nine months have been conducting a technical and economic feasibility study for the Juragua plant in Cienfuegos Province. U.S. congressmen of Cuban descent, the Republican majority in both chambers of the U.S. Congress, and the ultrareactionary Cuban emigrants in the United States have resumed their offensive against the Juragua plant — a nuclear plant for peaceful purposes that could help Cuba save millions of dollars. This is precisely what those who portray the Juragua plant as a threat to the safety of the Caribbean and the Western Hemisphere's northern region want to prevent.

The enemies of Cuba believe that if they neutralize Cuba's peaceful atomic energy program, they will deal a devastating blow to Cuba's economy because of the country's severe financial limitations and its lack of abundant energy resources. Nevertheless, there is no reason to doubt the eventual resumption of activities at the Juragua plant, which has been idle for several years because of a lack of money. Cuban experts have noted that the plant has been diligently maintained during the two and one-half years it has remained idle. During this time, more than 400 engineers have been kept on active status, awaiting the resumption of construction and assembly work, and this guarantees the proper management of the plant if it is completed. Updated technical training of personnel who will operate this plant also enhances the plant's safety. The first reactor, already near completion, can withstand an earthquake measuring eight on the MSK scale, as well as the impact of a 20-ton aircraft.

The agencies which, along with Cuba, are studying the possibility of resuming construction at the Juragua plant have full confidence in the safety provided under the already established plans. This is one of the many reasons to believe that it is irresponsible to portary the Juragua power plant as a specter threatening the Western Hemisphere.

Helms Espouses 'Law of Geopolitical Gravity'

FL0507160995 Havana Radio Progreso Network in Spanish 1100 GMT 4 Jul 95

["A Day in History" historic events feature; from the "First Thing" program]

[FBIS Translated Text] The 13 U.S. colonies launched their revolution for independence on 4 July 1776. [U.S. national anthem and suspenseful music played]

"A Day in History": It is a legitimate right to free oneself from a colonial power or to shake an imperial power from one's back, but to later grow into a colonial power and empire? It could be a case of what Enrique Garcia Varona would call a nation born adult. This is an historical coincidence. Thomas Jefferson and John Quincy Adams, two of the most illustrious men in the United States, died on 4 July 50 years later — almost at the same time. Both men spoke of conquering the neighboring island. Adams developed the ripe fruit theory: Helms believes in this law of geopolitical gravity, which suggests that Cuba orbits the United States. That is why it is a legitimate right to shake from one's back anyone who comes as an enemy [oscuro jinete].

Fidel Castro Commemorates Venezuelan Independence

FL0607002795 Havana Radio Reloj Network in Spanish 1932 GMT 5 Jul 95

[FBIS Translated Text] On 5 July, Commander in Chief Fidel Castro laid a wreath before the Simon Bolivar monument in Havana, on the occasion of the celebration of the 144th anniversary of Venezuela's independence.

The Cuban Friendship with the Peoples Institute and the city historian's office paid homage at the Venezuelan Embassy in Cuba at the corner of (Brapio) and Mercaderes, where the monument is located.

Following the ceremony, Fidel visited the Simon Bolivar museum, where he conversed with Venezuelan Ambassador Gonzalo Garcia Bustillo and students of Havana's vocational school. The museum houses a replica of Bolivar's sword.

Sergio Corrieri, president of the Cuban Institute of Friendship with Peoples, city historian Eusebio Leal,

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and members of embassies accredited in Cuba attended the ceremony.

Visiting Mexican Party Leader Expresses Solidarity

FL0507154795 Havana Radio Rebelde Network in Spanish 1700 GMT 4 Jul 95

[From the "National Radio News"]

[FBIS Translated Text] Carlos Castillo, president of Mexico's National Action Party, presented Cuban Foreign Minister Roberto Robaina with a giant Cuban flag upon his arrival at the Foreign Ministry for official talks. This is the first gift received as part of the movement [movimiento] that, apparently, is just getting underway. The flag will go on public display before Castillo departs. Correspondent Gisela Bel Heredia reports:

[Begin recording] [Heredia] Robaina and Castillo, a guest in Havana City for the past few hours, opened official talks. Castillo, a leading Mexican opposition representative, said this visit is very important in that it offers him the chance to exchange points of view with Cubans, express his own, and see what action can be taken together to improve this corner of the world a little. Robaina commented on Castillo's words:

[Robaina] Castillo, I think this is about exchanging points of view and not worrying about the points of view we do not share. The important thing is that we can listen and express our opinions. There are many things on the Mexican political and social scene, as well as things about your own party, in which Cuba is interested. We are also interested in you learning about the many things happening in Cuba.

[Heredia] Castillo said that his party's political point of view regarding Cuba has always been one of great solidarity.

[Castillo] The party has always opposed the embargo. The party has summoned national and international solidarity with the Cuban people. The best thing is to obtain information firsthand.

[Heredia] Castillo will leave Cuba on 6 July. [end recording]

Alarcon Interviewed on Upcoming Elections

PA0507042595 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0139 GMT 5 Jul 95

[Interview with Ricardo Alarcon, president of the Cuban National Assembly of the People's Government, by reporter Antonio Recillas, at Cubavision's studios in Havana; on the "Open Agenda" program — live]

[FBIS Translated Text] [Recillas] Good evening. "Open Agenda" reaches you today anywhere in the country you may be, and I would say a little beyond that, on a nationwide Cubavision and Radio Progreso network. As we have been announcing, with us tonight is Comrade Ricardo Alarcon, president of the National Assembly of the People's Government [ANPP] and a member of our party's Politburo.

If you will allow me, Alarcon, before beginning this dialogue I would like to make a few very simple observations. In today's conversation I plan to review various topics. Obviously, as we announced, one of them is democracy in Cuba; I would like to reflect on this particular issue. I would also like to discuss next Sunday's elections, a necessary topic now that we have you in front of the cameras and, of course, a few questions regarding the future of the talks with the United States concerning the policy of immigration between the two countries.

I must say that in the questionnaire we plan to develop with you, Comrade Alarcon, we have taken into consideration many questions received from various sources; questions from usual Cubavision viewers or Radio Progreso listeners. I would also like to remind you of the very pleasant memory our crew has of your last appearance on "Open Agenda." It took place two years and three months ago, exactly on 16 March 1993, scarcely 24 hours after you were elected and took office as president of the ANPP. I need not tell you that then and today also, we are very grateful for your presence in this conversation.

Alarcon, on this coming Sunday, only a few brief days away, elections will be held in our country. I believe that approximately 7.5 million Cubans will vote, as we are entitled to. That, unquestionably, is a large figure; 7.5 million Cubans. I would like to begin the dialogue by asking you if, in your opinion, we Cubans will limit ourselves solely to electing those comrades whom we deem the best and most capable in our neighborhoods, or whether in addition to that we will go after more important and perhaps more strategic goals?

[Alarcon] I would say that every election to decide who our rank and file dele ates will be is, in itself, very significant. It goes ' rd the selection of the person who may be consi he best in every area. It must be taken into consid a that these are the basic cells of our entire popula em. The circumscription delegate is often viewed a male or female comrade who is confronting the pr ems, difficulties, and most immediate issues in our d lives. However, they are also members of the Mu pal Assembly. The people we are going to elect on Sunday will be members of upcoming municipal assemblies, and they will have great responsibilities.

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First of all, they will elect local governments, each municipality's administration; they will supervise, control, and oversee the administrative authorities in each municipality. The delegates will also be members of the People's Councils, that instrument which I believe has shown its virtues in the midst of all the limitations and problems that are well-known. Nevertheless, the experiences that the People's Councils contribute are of great interest, and they show us the path we must follow. They oversee, coordinate, and attempt to make a collective concerted effort with all the forces of society and with the institutions and administrative entities in every area.

Now, these are the People's Councils, not all of the delegates from a given area. In other words, to the extent that we express support for the candidate of our choice — among all of the candidates we ourselves nominated — we will also be strengthening that comrade's future performance. I would say this is very important because of the responsibilities that each of our municipal delegates have.

The Municipal Assemblies also — do not forget this — are the organizations that select the candidates for the provincial, municipal, and national assemblies, and a good number of the members of the ANPP, more than 40 percent, are themselves circumscription or rank and file delegates. In other words, among those we will be electing on Sunday, there will surely be a certain number who will be members of the next ANPP that will be elected within two and a half years.

In other words, specifically in these elections for municipal assembly members, to my way of thinking, the importance increases precisely because of the complexity of the times we are experiencing. Precisely because difficulties are greater, the tasks that a delegate has to face become more complex. With lots of material limitations, it becomes more necessary and more important than ever that every effort be made to eliminate all mistakes, all the negative things, all deficiencies that have nothing to do with material limitations. In other words, it is in everyone's interest that we be in condition to strengthen much more, perfect much more, the real work from the bottom, from the grassroots.

We have passed a stage we have already successfully completed, which was to nominate the candidates. The next important chapter is to elect the candidate among these candidates, and whoever is elected is to receive all the support possible, because this support will help him, will help us — all community members — to better face up to all the challenges that our people meet today.

[Recillas] Does this option mean, Mr. President, precisely the option of Sunday's elections — I insist on my initial question — does it not mean restating our future option as a country, as a nation? This is what I meant when I said that it exceeds the framework.

[Alarcon] Of course, but it exceeds it for various reasons — I had not really completed my reply — first of all, because of what I have just said: We need to strengthen and boost our popular system. It is an essential element in all aspects of national struggle. I have said it before, and I want to repeat it now: When we speak of the revolution's achievements, the achievements we need to save, we need to highlight our political system, our democracy, the system that allows all Cubans to select from the bottom who is going to be our candidates — the system of authentic participation of the people in their government. This means defending it and it means perfecting it, improving it, and forcing ourselves to make it more efficient and more real every day.

In addition, at this moment this acquires greater and more symbolic meaning because it is obvious to everyone that while we are facing this situation trying to see how we save our achievements and how we develop them even further, including the political field, there are others who are trying to seize these achievements and impose on us a system of government, which among other things, would take away our people's main achievements. These achievements are well known to everyone — health, education, culture, dignity, national decorum, independence, but also participation in the country's destiny.

Outside Cuba, people do not choose their candidates; outside Cuba candidates are imposed on the people, and the people are relieved of this choice through a political machinery and by those who control society.

This is a U.S. newspaper — THE NEW YORK TIMES. According to this headline, it says: To Run For President [preceding words in English] this gentleman needs to obtain $77,000 a day. Why? Because he reckons — the U.S. electoral specialists reckon, they are marketing specialists — that this year he will need at least $20 million, $23 million, $25 million — there are various theories — to be able to run as candidate.

This is a society in which to aspire to become a senator, representative, mayor, governor, or president, the first thing to do is collect money, millions of dollars. Naturally, the poor and lowly people play no part in deciding which millionaire, this or the next one, will be the candidate. All this most poignantly illustrates the putrefaction and falseness of the so-called representative democracy, which is the opposite of the democracy that we are in the process of perfecting.

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Of course, this is a constant effort of creation, of search to perfect it, but it would be lost if our enemies managed today to make our people give in, if they manage to adopt as they are intending to do soon in Washington new measures to step up the blockade, which precisely has this as a goal.

[Recillas] That is precisely where I want to move, to the new measures in Washington. First, however, I would like to discuss a subject that is not too common to hear spoken of on television, President. It is unipartyism and the manner in which the Cuban people have been organized politically in our revolution. Nevertheless, at present it is one of the favorite arguments of those who attempt — and in fact launch tremendous campaigns — to scoff at our democratic model. I would like to know your view on why is it so difficult for these people to accept our uniparty model.

[Alarcon] First of all, we must bear in mind that our electoral system is not based on a single party. Our party is not an electoral party. Our party is not a group of people who promote candidates who would eventually hold office. Our party has different roots, sense, and nature. It is the vanguard of the patriot people. It is the organization of the revolutionaries and the advance detachments. In this country there a lot of patriots and revolutionaries who are Cuban communists, although they do not hold a party carnet. Our party goes back to the roots of our history. It is the organized vanguard of a people who must fight united to save their independence. It is the party that led us to the most recent war of independence, the party of Marti.

This is the war whose centennial we will commemorate on Sunday. We will elect heirs to this tradition. What was Jose Marti's position? He was a delegate. These elections are a homage and in recognition of the significance of this lofty and pure function. Like our delegates, he did not collect a salary for representing and leading the Cubans from his position as emigrant. He never collected anything for organizing the forces that fought for our independence. Like our present delegates, he only sought the well-being and improvement of the homeland and all Cubans.

It is well worth remembering that our party, in a sense, represents a homage to the delegate par excellence, Jose Marti.

Our participation next Sunday in the centennial year will be to elect thousands of delegates that would symbolically multiply the effort of our delegates of the time when they initiated the war of independence, a war that we are still fighting today.

[Recillas] President, a few moments ago you said that our democratic model is not finished. Precisely this is what I would like to ask you about. May I clarify this question, because many television viewers and Radio Progreso listeners might think there is a very quick and easy answer for this? The idea is not only to hear your view about whether our model is finished or not, but to learn whether there is any information or news item for the public about any correcting steps that might be taken in the next months or years or at present to make this Cuban democratic model more efficient.

[Alarcon] I would say the revolutionary person in essence is a man or a woman always dissatisfied with his work and whatever he has attained. The revolutionary continually aspires to transform, improve, change, and perfect reality. We start from a basic premise. You mentioned those who proclaim certain schemes, such as multipartyism, as supposed paradigms of democracy. In reality, these people are not truly interested in strengthening or developing democracy. Quite the opposite. They want to limit and reduce the idea of democracy to a simple action, that of going one day, every so and so years, to deposit a ballot in a ballot box to vote for a candidate proposed or chosen by someone else, not by himself or the people, but by a political machinery through millions of dollars in the Western world. And that is that. But democracy is not that.

Democracy, according to the dictionary, is a political system in which the people exercise authority, the people participate in the government. But participating does not mean one day every four years. Participating should be every day. This is why we think it is so important to develop a system that should be a constant creation, a system to promote the people's true participation in the political system. In our system, this participation starts the moment the people themselves choose the candidates. This participation continues later when the people elect from among those candidates, whom everyone knows are their peers, whom everyone knows are common citizens, who have not been imposed by laws, who are not there because they are richer or more powerful, because they haved been selected by a small group called a political party. They are there because the people themselves (?put them there). What other plurality can anyone aspire to in a society? The people have determined who will appear in those ballots.

Now, the thing does not end there. What is the following step after those elections are held? The next step is to establish municipal assemblies; people's councils and municipal assemblies. What should I say about the future delegates' next step with all the sectors, the community, administrative institutions, social organizations in each

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neighborhood, etc.? They should make some sort of an inventory of the problems we know exist, of the opinions and suggestions presented during the entire process of neighborhood assemblies. They should go to the areas to see and identify which one of those problems can be confronted and what suggestion is feasible and can be implemented in spite of our objective limitations. This, of course, has to be a constant process to promote true participation, that is to say, democracy. According to the dictionary, democracy is the exercise of authority by the people. This is what democracy means in its semantic sense and, of course, this is a never-ending, constantly developing process.

As is known, we are trying to do many things through the assembly commissions; not only at the national assembly but also by furthering new initiatives through the assembly commissions in the provinces and municipalities. For example, we have promoted public hearings in the past months. We have accumulated positive experiences from those hearings, and this has led us to propose that public hearings be multiplied, furthered, and extended to cover the entire country. What do those hearings entail basically? They incorporate the opinions of those who are not deputies or delegates. They gather the experience of other people. They incorporate and open spaces for every one to participate in the exercise of authority, in the exercise of government.

[Recillas] Does this mean, President, among other things, that public hearings.... [pauses) I totally agree with you that the hearings have been well received by the people and cover almost all issues. Of course, the issues covered have not all had the same impact on the people. I recall one issue in particular, the education of our youth, which had a strong impact on our society. Will this mechanism continue and be strengthened?

[Alarcon] All our commissions have plans and are making efforts to hold different types of hearings to cover many different issues. Several provinces are also doing this. We hope to have it as a regular, generalized practice throughout the entire system.

[Recillas] Alarcon, next Sunday, I have the figure right here, 25,471 voting tables [colegios electorales], I repeat, 25,471 voting tables in the country will admit approximately 7.5 million voters. This is the figure we had given at the beginning of the program. Our elections will take place, and millions of the Cubans we mentioned, who are eligible to do so, will vote. However, approximately 24 hours later, somewhere in Washington, a group of congressmen in one of the links of that long chain in the U.S. system, will try, I think and if I am not mistaken, for the sixth time, to approve the bill proposed by Congressmen Helms and Burton. I would like to know what is your assessment of this, apparently coincidental, event. Our elections will be held on Sunday and 24 hours later, they will try to impose this on us. How do you view this?

[Alarcon] Well, it is really the sixth time that the foreign commission of the Chamber plans to hold a meeting, as has been announced, to approve this bill. Several times before, the meeting was not held. It was postponed, it was postponed again, etc. Last week, exactly on Friday, they had the first discussion on this bill and it is interesting; I think this is very interesting for the Cubans, that....[pauses] apparently one of the aspects of the law that causes concern among some people in the United States — it is not the only problem that causes concern — is precisely the issue that more directly refers to the Cubans, meaning the issue of the return of properties to persons who are now U.S. citizens and who, for some reason, lost them on 1 January 1959 or thereafter. There was a discussion on Friday and this was one of the issues reviewed there. I consider very important the message we can send those people who will meet on the 11th, meaning the message we can send on election day and that we continue to send them — the clear idea that no one here is willing to return anything to the embezzlers, the torturers, the Batista sympathizers.

This is something that is incredible, but that is what the bill says. The law says something else that is monstrous, monstrous [repeats himself], incredible. I have it here with me. It is a plain translation, done at our Assembly, of the entire text of the bill.

The law strives to make the blockade even stricter, even harsher — threatening all the enterprises, all the countries that trade with Cuba, etc. We know they cannot do this. They have not been able to do this in 35 years, but that is what they want to do. The goal is obvious — destroy our revolution, crush our people through starvation and deprivation, etc.

Even if the revolution is defeated — it never will be but that is what they want — the blockade would never end. That is the basic element or contribution from these individuals who have developed the law. The blockade would continue until there is a democratic government in Cuba. That is how they define this — Section 207 of the law.

How does it define this democratic government? A government that would have certain characteristics, including, Paragraph 7 Section 207, that it restore to U.S. citizens and entities which U.S. citizens own 50 percent or more in — in other words, it does not have to be a person who owned 100 percent of a property; the person could have owned half of a property's value or

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benefits — properties seized by the Cuban Government from those citizens and entities on 1 January 1959 or thereafter, or offered a full compensation.

This seems so....[pauses] It is so absurd that some reasonable people could think that it is exaggerated, that they cannot be serious about this. I would like you to let me ...

[Recillas, interrupting] Yes.

[Alarcon] ... to show some elements so our viewers may understand that there are people who actually think like this. This is a magazine from Miami, called SOUTH FLORIDA, and it was edited last year, exactly on July — no, two years ago, July 1993. It was even published before the Helms Law. This is an article written by a man called Frank Soler. He is a house owner. Here is the house.

[Recillas] I see.

[Alarcon] This house owner was a land owner; he is a leader of land owners in exile. This gentleman called Nicholas — his name is now [chuckles]...

[Recillas, interrupting] He has changed it.

[Alarcon] This Nicholas probably used to be called Nicolas. He is now Nicholas Gutierrez. He leads the Association of Sugar Mill Owners in Exile. He has attended all the Congress meetings to support the Helms-Burton Law. What does the association propose? The article explains it. The solution is to return their lands, their sugar mills, etc., etc. This gentleman is quite annoyed because his great mansion is now a school and, obviously, he says the solution is ...

[Recillas, interrupting] To return it.

[Alarcon] To return it.

[Recillas] I see.

[Alarcon] This is another edition of the magazine. I do not want to take advantage but ... [chuckles] just so you can see that, no matter how absurd it seems, that is what they want. This is quite incredible. United States Senate [preceding words in English], meaning the U.S. Senate. April 28, 1995. This is quite recent. The signature is Bob Graham's. Senator Bob Graham is one of the co-sponsors of the Helms-Burton Law. This is a Florida senator. This letter was sent to our Interests Section in Washington. Mr. Nelson Guzman, Third Secretary, Cuban Interests Section. [preceding sentence in English] It was signed by Senator Bob Graham.

What does the letter contain? A document from a law firm: (Moss, Henderson, [names indistinct]), attorneys at law. [preceding sentence in English] A law firm. This is a document demanding the return of a house in Havana. This does not date back to the last century. [Recillas laughs in background] This is a letter from late April. Just so you may have an idea. The address is given here. The house is located on 16th Street, Miramar. The woman who allegedly owns it lost ownership of this house in 1962. She later lived in Miami, where she died in 1992 — the lawyers explain all this here — meaning 30 years later. She wrote her will 30 years later — obviously, before she died — and she left the house to a Mr. Lanier. She left the documents — ownership titles, etc. — and the electricity and water bills. All this is included [chuckles] ... according to the lawyers' letter. In the end — the letter ends in a nice way — it states: Please continue to keep the house in good condition until Mr. Lanier [Recillas chuckles in the background] is able to assume ownership of the same.

Obviously, I believe we must try to maintain this and the other properties in the best condition ... [Alarcon and Recillas laugh] but not to return them. As you see, these things can sound devilish and irrational, but that is their logic, that is what a group of men in the United States want. They consider this war loot they would get if they manage what they never will — to defeat our people, destroy the revolution, and again take possession of this country.

Look, this is tremendous. And with this I will finish presenting documents. This is a letter from an under-secretary of the U.S. State Department addressed to the Congress in which this person reports to the administration several causes of concern over this law. One of the things that this lady points out is that the State Department has estimated a disbursement of $100 billion if all those individuals who departed Cuba in 1959 were to be monetarily compensated for their alleged properties.

Can you imagine? What a long time has passed. If we recognize the ownership of those properties and compensate them, how could the people bear such a payment? How many generations of Cubans would have to work to gather $100 billion?

[Recillas] In addition, Mr. President, the attempt to approve this in the U.S. Congress will take place 48 hours after we vote on Sunday. Naturally, this is the message we should deliver. [Words indistinct] And this gives this lesson an additional meaning. On Sunday 9 July, our people will show these gentlemen, the 10 or 12 lawmakers of this commission who will meet on 8 July ... [pauses] Of course, there have been no public hearings or consultations with American students, workers, or even businessmen to determine whether or not such an absurd policy as this one is good. It is very important that we, our people, show patriotic confidence and adherence to ideals that should unite all Cubans.

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We will show them that this country is not a U.S. colony, that this is an independent nation, that we Cubans are trying more and more every day to perfect selection and decision mechanisms. But this decision will have to be made by us and only us. The 9 July elections, which leads us to future assemblies, the future people's councils, and all this effort at perfecting our system and the mass support for this perfecting, will serve to transmit the best message to these people so that they can know that they cannot execute a plan like that, because they would meet with a united people that would oppose it.

[Recillas] Alarcon, let me stray a little from the subject we have been discussing and make a remark which I am persuaded not many people can regard as a news item. For others, however, it could prove worth remembering. You were president of the federation of university students in 1961, the year of the literacy drive. Later, you were member of the Communist Youth's [JC] national committee. All seems to indicate — as we have seen today, the past few days, and for many years in the United Nations, when you were foreign minister, and now as president — that you still preserve intact those experiences of your youth, despite the time elapsed and your age. I would like to ask you a very special question, mainly addressed to the Cuban youth that you are. What special meaning can the Sunday elections hold for our people?

[Alarcon] Now that you remembered those times, you did not mention that I moved up to the United Nations from the JC national bureau almost nonstop. I stayed a short while at the Foreign Ministry, while still very young. Something basic can be said about this responsibility. During our history, youths have always been up front. Let us bear in mind that Jose Marti died 100 years ago, when he was barely 42 years old. When we study Marti's life, we see an adolescent who goes to prison for fighting for Cuba's freedom. He confronts colonialism while still very young. A young man is the Jose Marti we read about, his speeches, his books. His revolutionary work is that of a young man. He was barely 42 when he died. That generation was full of young people like him, who fought for independence.

Youths were also those who fought at the Moncada barracks, the Sierra Maestra guerrillas, and in the various stages of the revolution. All of them were young. Of course, history calls today's youths to the same duties of the vanguard in the historic continuity of the struggle that has been going on for more than a century. We also see this in light of the threats and dangers and risks looming over our society.

After all, as we said earlier, who is being threatened today ... [pauses] Who are the Helms' and Burtons' threatening if not the youths? That would not be you or I. Neither you nor I. Our generation will not have to bear that incredible bundle of servitude, of real slavery that this ultrareactionary concept implies. That is how some people in Miami and others in Washington think. The $100 billion could not be gathered up by one generation. Our children and grandchildren, Recillas, the future generations would receive that terrible sentence, which is the only alternative to our revolution. I am speaking, from the most striking angle of the national point of view, of the current historical battle Cuba is waging. From the optimistic angle, the angle from which we should view the situation, those plans are going to fail.

No one will be bent in Cuba. No one will destroy the revolution in Cuba. No one will recover anything here. We will go forward and overcome our difficulties, with perfection and the idea of constructing a more and more democratic and participative society in mind, a society in which our social attainments are preserved and improved. Who must do this? The youths.

Who must take into their hands the historic mission of continuity and perfection? The future generations. That is why I believe in Sunday's elections and in future elections to perfect our society. The main mission is in the hands of today's youths as it was in the hands of the yesterday's youths.

[Recillas] Alarcon, within a few hours, on Sunday, thousands of Cuban men and women will cease the political activities for which they were elected in previous terms. Do you have a message for these comrades?

[Alarcon] I believe that all of those comrades deserve everyone's recognition and gratitude, not from the ANPP but from all of our people. They are male and female comrades who truly proved their devotion, who gave the best of themselves in the effort to fulfill an important duty during a very complex phase. I also believe that one of the most beautiful and noble characteristics of our system — let us not forget this — is that these comrades have directed the process leading up to the 9 July elections, in which many of them are not even candidates. In other words, the final mission for thousands of comrades, their final task at least during this phase — no one knows if in the future they will be again nominated and summoned for new responsibilities — was to guarantee and ensure this exercise of true democracy in which people nominate others and many people have been renominated, which is known.

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However, that has not been the case with all of them, but no one can tell the difference in any circumscription between delegates who were renominated and those who were not. All of them are working together, and all have shown the same devotion and care to ensure a genuinely democratic election.

[Recillas] President, some Radio Progreso listeners and also some of viewers believe we forgot one of the topics we announced at the beginning: the continuation of the immigration policy talks between Cuba and the United States. I believe the time has come for me to ask when the talks will continue, where they will continue — here or there — and if there is anything new in that regard.

[Alarcon] The next round will be held in Havana. We will meet on 17 and 18 July, shortly after the second round of the municipal elections. This meeting will be the first one we will hold with U.S. State Department officials after the 2 May announcement. I believe it will serve to review fulfillment of both last September's agreement as well as the 2 May agreement. In general, I would say — and I hope the other party will agree — that these agreements are being complied with and are developing in an adequate, correct manner.

It is my understanding that the U.S. delegation will be presided over by Assistant Secretary Ann Patterson, and the meeting will also be attended by the person who is currently head of the State Department's Cuba Division. There have been certain changes in the department recently, and they will be reflected in this meeting.

[Recillas] Comrade Alarcon, the election is next Sunday, Sunday the ninth. Our next "Open Agenda" will be aired on Tuesday eleventh — 48 hours after Sunday's elections. I would like to propose the possibility in Tuesday's "Open Agenda" to present to the public an assessment of Sunday's election results. Could you or the person you appoint from the ANPP come here for an informative discussion? Would you agree?

[Alarcon] Yes. I believe this is precisely a topic that is very important for everyone. In addition, as our democracy is real, is true, and is not limited just to the electoral act, even though the electoral act itself is very important of course, I believe that it would be worthwhile to continue this reflection and continue talking with you about the 9 July results. Of course, some municipalities would still have pending run-off elections, but I agree with your idea.

[Recillas] Very good. Would you like to add anything more?

[Alarcon] Perhaps I was leaving out something important, which is to also express our recognition, our gratitude, to the tens of thousands of comrades, including our pioneers, who have been contributing to all this process of true and legitimate participation of the people in their democracy. It is tens of thousands of comrades all over the country, who without earning any salary or privilege, without receiving anything special, they simply became a sort of great army to ensure that our people can cast their vote in a way that in other places does not even come close to the way we do it here, with the decisionmaking capacity, such as Cubans will have on Sunday. Our gratitude goes to the youngest pioneer right through to the last comrade member of the electoral commissions and all of those who have given and are giving a truly praiseworthy effort.

[Recillas] Many thanks, Comrade Alarcon; many, many thanks for this opportunity you have again given us to talk to you. We wish every success in Sunday's elections. I must say that I have felt this has been a broad conversation; we have broached complex topics, such as democracy in the country. We have also discussed the importance of the elections. We believe this has been a very useful appearance. We are therefore very grateful to you for this appearance and for the times we know that you will appear in future. Likewise, we want to thank Cubavision viewers for their attention and Radio Progreso Network listeners. We will have on Tuesday a report on Sunday's election results here on "Open Agenda."

Therefore this is going to be news, because on Sunday the elections will be held and on Tuesday we will have data and analyses of the country's elections.

I do not want to bid farewell without first thanking the numerous viewers who have written us many letters — some truly encouraging letters — from Granma, Pinar del Rio, with their opinion on our work, the "Open Agenda" team's work. We may not fully agree with some of the letters, but we also appreciate them in this exercise of democracy by letting us know their ideas on any of the topics dealt with o the programs. Good evening until Tuesday on "Open Agenda."

National Election Commission President Interviewed

FL0507022395

[FBIS Editorial Report] Havana Tele Rebelde Network in Spanish at 0030 GMT on 4 July carries its regularly scheduled "This Very Day" program, featuring an interview with Carlos Amat, justice minister and president of the National Election Commission, by correspondents Maria Julia Mayoral and Glays Rubio. Anchorman Hector Rodriguez introduces the participants.

Rubio opens the discussion on the upcoming election process by asking Amat what he thinks of the recent

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candidate election process. Amat responds that he thinks the process has been very positive, that there has been massive, enthusiastic participation in the process by the population: "We have calculated that there have been approximately 6.2 million citizens participating in the process of electing candidates as district delegates. There have been over 27,000 — almost 28,000 — assemblies held. This has inspired an average of 82.9-percent participation. Participation in this process has been greater than in last one, which — if I remember correctly — was 78.8." He says the population has supported the whole process, and that there is a greater number of districts. He says that not new communities, but electoral commissions determined that there were districts large enough to be divided into more than one district, making the election process easier. "At this time," he continues, "we have an average of 4.1-percent more districts...364 new assemblies."

Mayoral asks his opinion of the people's choices. Amat replies that when asked to evaluate the candidate's election process, he was about to add that the assemblies have been very high-quality, as have been the candidates elected. He says: "There are approximately 29,000 candidates and of these, 14,229 are to be elected, one per district. In the previous process, there were 659 candidates, less than there are now." He says both the districts and the number of candidates have grown, and that there is a reason for his saying that the quality is higher: "Over 10,000 candidates are workers and technicians, and the rest are farmers, students, revolutionary armed forces and Ministry of the Interior members, retirees, administrative workers, housewives, workers from the service sector, and even self-employed workers, indicating how all sectors of our society are represented."

Rubio asks how many are already district delegates. Amat replies that some have been reelected: "Of the total number of candidates elected, 30 percent are already district delegates. However, if you compare this number to the total number of delegates in Cuba, you will see that the total rises to almost 57 percent. These are comrades who are currently delegates and have been elected to run for district delegate again. "The age groups are also significant. "Fifty percent of the elected candidates are between 16 and 40 years old." He notes that the youthful vigor of the candidates will benefit the districts. Also, "the majority have above a 12th grade education, six out of every 10 candidates." Women, he adds, have also participated significantly.

Mayoral reminds him that he had said that, on a personal level, this election process had been easier to organize than the general elections of 1993. Amat admits this, noting that yes, municipal and provincial electoral commission members now have more experience, thus making everything easier. The people knew what to do.

Rubio remarks that in the majority of districts, there are two candidates. He asks whether they should expect one round of voting to suffice. Amat replies: "We have approximately 13,000 districts in which there are only two candidates. This represents 97 percent. We have 365 districts in which there are three candidates. This is 2.5 percent. We also have a small group of districts — only 58 — where there are four candidates. From that point, the number drops steeply. There are only three districts with five candidates." The possibility of more rounds will affect very few districts, he explains.

Rubio asks whether yesterday's dynamic test should be discussed. Amat says that yesterday's test was a dress rehearsal, a way of testing the whole system and seeing where the problems lie, especially in the area of communications links, which is what worries them most. He says he remembers that during the previous election, there were problems with communications, which at time delayed the district polling stations; information. If a polling station's information is delayed, he explains, it means a delay in the entire process, delays that occur throughout Cuba. Comrades from the Communications Ministry, he adds, have been working hard on this, and there will be alternatives available. Rubio asks: "What alternatives?" Amat lists ham radios, carrier pigeons, the media, bicycles, and horses.

Mayoral notes that during the dynamic test, registered voters numbered near 7.5 million. He recalls that Amat had noted that this number could change, right up to the very day of the elections. He asks him what fluctuations he expects. Amat says: "That number is somewhat unpredictable," explaining that it depends on whether or not people went to register, whether people who moved registered to vote. He states: "We cannot give exact numbers until we have the final results of the election process."

Mayoral asks whether an increase in the number of voting districts should speed up the election process. Amat answers: "One of the things we struggled for most was to ensure that on election day, the voting would flow in a natural, smooth manner."

Rubio asks about seminars for the district voting stations. Amat acknowledges the seminars, adding: "Getting back to Maria Julia's question, the number of district polling stations is decisive. A station with many voters could have long lines. I mean, it could bunch people up and hinder the flow of the voting. It is better to make two stations out of one station with 600 or 700 voters. This makes it easier for the voters and for the voting station."

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Rubio asks when and where the results will be known. Amat says: "Everyone wants to be able to answer that question. We are working on being able to supply results during the early hours of Monday, so if communications do not break down and everyone does what they have to do, we should have results in the early hours of Monday."

Rubio asks if these results will be known immediately, to which Amat replies: "Yes. Remember that we make national computations. It may be possible to know each of the municipalities' partial results a little earlier, but we must wait for the last station's information to reach us before we can give national results. That is the reason for insisting on the work being done and on communication links, because the sooner we get the information, the sooner we will be able to supply the results."

Rubio asks if there have been any simplification measures taken in mountain areas. Amat: "In remote places, we have analyzed the location of the polling stations, thus making it easier for the voters. As for communications — we discussed this before — ham radios, bicycles, and other methods."

Mayoral: "We should discuss how to vote. There are many people who remember the last voting process, when a unified vote was requested. But now, people vote for one candidate. How have you prepared the voters?"

Rubio notes that television has helped. Amat remarks that "the media in general has been of extraordinary help...I think that the only way to counter the previous election's campaign — which is still in effect in the present process — is through a huge campaign of teaching how to vote." He says they have requested that all media explain to people how to vote, and to vote only for one candidate.

Rubio asks who will witness the recounting of votes? Amat says: "Everyone. According to our electoral laws, the recount of votes is public. The president of the voting stations invites the public to be present and to observe the counting process. During the previous elections, many foreign correspondents, who were here in Cuba, witnessed the whole process. The law has not changed in this regard; we therefore retain the same principle."

Rubio observes that municipal candidates commissions are already at work. Amat admits this, explaining that they must elect those who will run for president and vice president of the municipal assemblies, and that they cannot do this until the candidates to the district delegatations are chosen. He says they have already begun their work by reading all the candidates' biographies, but that their jobs will become deeper after the elections.

Rubio asks how important these elections are, to which Amat responds: "I would say these are no different from the previous elections because they are ...a vital part of Cuba's political battle. We cannot view this election process in a different context. This marks our political life in Cuba; it is part of the struggle that our country began over 100 years ago in search of its independence and sovereignty. I think this is a crucial moment because of the threats against our independence and our country — the brutal development of the blockade and the threats of further strengthening it. I think that voting now means reaffirming our right as a people and as a nation. It is our chance to decide who we are and how we want to be, without having someone from abroad impose formulas on us and try to give us lessons that are alien to our historic experiences and our current way of life. At this time, voting is one more step toward consolidating our electoral system and further defining our democratic principles. Finally, I think it is a way of supporting the Revolution."

Rubio thanks Amat for his participation. Hector Rodriguez announces that this program will be on the air as of 0700 on Sunday, 9 July, for the entire electoral process. No further processing.

GRANMA Calls for Election of Most Capable Candidates

PA0607013995 Havana PRENSA LATINA in Spanish 1412 GMT 5 Jul 95

[FBIS Translated Text] Havana, 5 Jul (PL) — The official newspaper GRANMA today urged people to vote in Cuba's partial elections on 9 July for those candidates who have the greatest potential to inspire and guide their communities.

A commentary published in the Communist Party's mouthpiece expressed the authorities' call for the election of "the best and most capable" to the People's Government Municipal Assemblies (local government bodies).

According to the GRANMA article, the best councilmen will be those qualified to "unite forces within their communities to resolve problems, show initiative, and bring together people capable of fulfilling tasks that will benefit the sociopolitical climate."

It must be taken into consideration, GRANMA adds, that the councilmen must carry out other important duties in the municipal bodies in which they represent their electorates' right to a say.

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The GRANMA article states that when voting citizens must keep in mind that the president and the vice president of each municipal assembly will be chosen from among the winners in every district (areas into which the municipalities are divided).

In concluding, GRANMA defines as the most capable those individuals who have "the best qualities and dispositions to represent (us Cubans) and to become the foremost authorities in the communities where they were nominated."

Roundup of Economic Developments

FL0107154695

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 1 July.

Sierra Maestra International Airport, in Manzanillo Municipality, Granma Province, is being renovated: An asphalt runway 78 centimeters thick will be built on top of the airport's 12-year-old runway, while the apron will be expanded to accommodate larger aircraft. The number of domestic flights has been reduced during the renovations. (Havana Radio Rebelde Network in Spanish 2300 GMT 23 Jun 95)

Cubana de Aviacion will launch two new airline routes between Cuba and Spain on 4 July. Spain's Politur travel agency will charter the Madrid-Santiago de Cuba-Havana and Vitoria-Santiago de Cuba-Havana routes through September. (Havana Radio Rebelde Network in Spanish 1155 GMT 26 Jun 95)

The Cuban Institute of Friendship with Peoples has distributed approximately $700 million worth of donations from solidarity groups in Pinar del Rio Province during the first six months of 1995, significantly more than the amount distributed during the same period in 1994. (Havana Radio Reloj Network in Spanish 1402 GMT 28 Jun 95)

Fishermen from the Miguel Buchillon Center, Punta Alegre, Chambas Municipality, Ciego de Avila Province, have surpassed their five-month goal, catching 429 tonnes of fish. They expect total yield to exceed 940 tonnes by 1996, representing 40 percent of total provincial yield. (Havana Radio Reloj Network in Spanish 1402 GMT 28 Jun 95)

Santiago de Cuba: A 1,000-ton cargo ship, built in joint venture with the Dutch firm Damex in record time, was launched at Nispero shipyard on 27 June. It will be used to transport crude oil between provinces. (Havana Radio Rebelde Network in Spanish 1155 GMT 28 Jun 95)

Cubana de Aviacion has increased the number of its weekly passenger flights between Colombia and Santiago de Cuba, adding to existing Havana and Varadero routes. Further expansion is planned. (Havana Radio Rebelde Network in Spanish 1155 GMT 28 Jun 95)

Committees for the Defense of the Revolution (CDR) members today began delivering the first 20 tonnes of paper and cardboard collected in Minas, Sierra de Cubitas, and Camaguey Municipalities to the roofing tile factory in Camaguey for recycling into roofing tiles for homes damaged during the recent rains. CDR officials stress the need to continue collection efforts in the province. A CDR-sponsored concert will be held on 1 July at Havana's Jose Marti Revolutionary Plaza to promote paper and cardboard collection and recycling. (Havana Radio Rebelde Network in Spanish 1700 GMT 28 Jun 95)

Workers at Havana's Oswaldo Diaz Fuentes electric mechanical enterprise, the only Sugar Industry Ministry facility dedicated to equipment maintenance, recently conducted an inspection tour of agroindustrial complexes nationwide. They have instituted an extensive repair and maintenance program in preparation for the next sugarcane harvest. The program includes repairs to approximately 400 motors; completion of 30 pieces of high-voltage equipment; repairs to and installation of turbogenerators; and installation of their first dynamic balancing machine (balanceadora), capable of balancing two tonnes of equipment. (Havana Radio Rebelde Network in Spanish 1700 GMT 28 Jun 95)

Granma Province's government finance directorate reported a 39 million peso budget deficit at the end of May, 11 million pesos over the predicted amount. Granma earned 49 million pesos, 16 percent below its goals and 20 percent less than during the same period in 1994. Expenses totalled 88 million pesos. (Havana Radio Reloj Network in Spanish 1930 GMT 29 Jun 95)

Intermar has opened its third office in Cuba, at Santiago de Cuba's Antonio Maceo International Airport. Intermar is charged with inspecting cargo and baggage on national and some international airlines, as well as performing customs functions. Intermar is part of a management group that includes Asistur and Seguros Nacionales y Internacionales, as well as legal consultants. Intermar offers services to airlines in 24 nations. (Havana Radio Reloj Network in Spanish 1404 GMT 30 Jun 95)

Germany and Cuba are negotiating the final points of a bilateral agreement for promoting and protecting investments. Vice Minister Isabel Allende and German Foreign Ministry officials have met in Germany on forming

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joint ventures to produce materials for the sugarcane and other industries. Germany has also granted credit to help nickel industry recovery efforts. (Havana Tele Rebelde Network in Spanish 1630 GMT 30 Jun 95)

Asistur, S.A., a Cuban agency, signed its first agreement with Bolivia's (Queen) agency to draw Bolivian tourists to Cuba and encourage information exchanges. The first group of Bolivian tourists included students from the American Peace Institute. (Havana Tele Rebelde Network in Spanish 1630 GMT 30 Jun 95)

The first 50 of an anticipated 1,000 buffalo have arrived in Aguada de Pasajeros Municipality, Cienfuegos Province. Some of the animals will be used in agricultural work, while the rest will be used for breeding. Buffalo currently live in 11 Cuban provinces. (Havana Radio Reloj Network in Spanish 1946 GMT 30 Jun 95)

It was announced during the first meeting of the National Committee of the National Trade, Gastronomy, and Services Union that tourism workers nationwide donated $1 million to the health sector. (Havana Radio Rebelde Network in Spanish 0900 GMT 1 Jul 95)

A total of 20,000 workers are trying to revive Ciego de Avila Province's sugarcane industry. The Cuban Workers Federation (CTC) wants to increase the total to 25,000 in an effort to plant 600 caballerias of sugarcane in July, as well as complete irrigation and weeding tasks. The CTC indicated that 3,500 of the workers are from nonagricultural Sugar Industry Ministry entities, as well as other nonagricultural sectors in the province. (Havana Radio Rebelde Network in Spanish 0900 GMT 1 Jul 95)

Officials Cite Juragua Plant Safety Features

PA0507163295 Havana Radio Havana Cuba in Spanish 0000 GMT 4 Jul 95

[Report by Barbara Bethancourt from the "Evening Information Review" newscast — passages within quotation marks recorded]

[FBIS Translated Text] In a recent working visit to southern Cienfuegos Province, I had the opportunity to visit the nuclear power plant [CEN] that is being built on one of the banks of its beautiful bay. The construction has been paralyzed since 1992 due to strictly financial problems, but even today some work is being conducted. Hundreds of people work to preserve what was built up to three years ago, and the plant's managers are involved in negotiations to conclude the first generation block [bloque de generacion]. Standing in front of a scale-model, I had the chance to talk with nuclear engineer Osmany Perez, who explained to us why Cuba is affirming that its nuclear plant will have no safety problems.

[Perez] "I will point out the fundamental differences between this reactor and the Russian reactors that are taken as examples. First, our design has a containment chamber, which is the third barrier in the nuclear field to protect the environment. Earlier power plants did not have this. There is a safety criteria in the nuclear field called defense and depth criteria, which protects the environment from the area where the radioactive material is located by means of physical barriers. In our case, we have three barriers. The first one, is where the fuel is located. The second one consists of the entire equipment of the primary circuit. The third barrier is the containment chamber. It is a very simple structure, consisting of a four-millimeter steel lining covered by two and one-half meters of concrete. That is the third barrier. It is vacuum tight, with a vacuum tightness that has been proven during the construction. The limits of air escape that are allowed ... [pauses] I mean, this is not allowed, and it works on a vacuum. This is a fundamental feature of our design. To those people concerned over emissions into the environment, let me say there is no emission here. Because the work is done in a vacuum, if the air escapes, of course, it does not get out."

Another feature of the Cienfuegos plant is its design against external circumstances.

[Perez] "The reactor has been designed to withstand an earthquake measuring 8 degrees on the MSK Scale. That means we have a 15-meter concrete slab underneath the reactor to make the structure solid and allow it to withstand an earthquake. It is protected against shock waves, a tsunami, or receding tides. The block can continue cooling. It is an event that can occur in our case once every 100,000 years. The plant has been designed against it, however. The chances of an earthquake are three times every 10,000 years. We have designed the CEN against it. It is protected against the fall of a flying object, specifically, an airplane weighing 20 tons at a speed of 200 meters per second. The dome of the containment chamber can withstand that impact. It is protected against the normal tropical hurricanes that beset us every year. The installation is protected against all that.

"As a safety criteria, system redundancy and diversity have been incorporated. That means that all of the plant's systems have been tripled, which is why the reactor's building is so big. One system is enough to guarantee the plant's safety, but we have three of them. If we weed a pump, we have three of them. If we need a [word indistinct] switch, we have three of them. As a basic feature of the plant's electrical supply system, we have a reliable electrical supply system, a safety system, that is fed from the energy the plant generates — it uses

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part of what it generates — and it receives electricity from the national electricity service if the normal system fails.

"In addition, it has three Diesel generators with a capacity of four megawatts each, located inside the reactor's building, in case of an accident that involves the loss of refrigerant. Referring to safety issues I do not want to expand on this, but safety reasons have been included in this design. I mean, we are using the most advanced criteria on this kind of pressurized-water reactor."

In addition to all of the above, in the technological and economic feasibility study that the plant's managers are currently conducting along with major foreign companies, they decided to introduce into the original Russian project modifications recommended by the International Atomic Energy Agency to European plants with older technology.

[Perez] "We reviewed each of those recommendations and decided to include in the study financing to introduce some of those improvements, although most of them were already included in the design."

Engineer Perez talked to us about another feature that adds safety to the design of the first Cuban atomic nuclear plant. Unlike others, the automatic control panel of the energy block [bloque energetico] is located inside the reactor's building and not in the engine room, as is it usually done.

[Perez] "In order to have a better idea, the reactor's building is category one to withstand earthquakes. As I explained to you, it can withstand an 8-degree earthquake. The engine room is category two and can take a 6-degree earthquake. In our case, the control room is located inside the reactor's building, a category one. We have two control rooms, one normal control room and one reserve control room, that are located inside the building. If one fails, we go on to the other, and it does the work. They are located 180 degrees from each other inside the same building. The control rooms are located in the building. That means the rooms are protected against all the phenomena I just talked to you about because they are located inside the building."

[Bethancourt] "I am going to ask you something that sounds foolish. Is anybody allowed inside?"

[Perez] "Yes."

[Bethancourt] "Yes?"

[Perez] "The inside of the building is divided into three zones."

[Bethancourt] "Three areas. It is round."

[Perez] "You will ascertain that. Three zones. One is called the service area, and the personnel can remain there throughout the shift. We have semi-service [semis-ervicio] areas, where personnel can remain some time. Then, we have [no servicio] non-service areas, which are the contaminated areas. That building has these three kinds of areas: service, semi-service, and non-service. Of course, the place where the primary circuit, or the reactor, is a nonservice area. Nobody can go in there, except in the maintenance or reloading phase."

Related to the alleged lack of safety of the Cienfuegos power plant are the charges on the lack of training or professional quality of the Cuban technicians who would run it. Engineer Manuel Leon, the power plant's deputy director commented on this matter.

[Leon] "The only way we can prove it is by putting the power plant into operation. Those opposed to it can say we lack the capacity to it, and we say that we do. However, since this is something that can be demonstrated and is mandatory, the process to build and put a power plant into operation demands a list of probative documents whereby you can prove what you are saying; it is not a matter of being taken at your word.

"It is not simply a matter of saying you set up or built the plant correctly; you must prove it. We can prove it. We have built it correctly and we have trained people well, on an individual basis, job by job, with a qualification program, a training program, a theoretical and practical training program, and we can prove it with documents, even though the plant is not in operation. You be the judge. There can be no defects in the pipes if the plant is not operating. In other words, defects may have been detected and if they were detected it was because we looked for them. Right? If we found them it means they were not intentional because if you detect something it means you look for it — you are not blind — and you correct it, which is what everyone does. Any plant, any western plant, has had thousands of problems that were detected and solved."

Those determined to discredit Cuba will not take all these explanations into consideration because they do not really care about the plant's safety. What bothers them is the fact that Cuba will have an alternate energy source that allows it to continue its development with a certain independence from the oil supply. I did not do this assignment thinking about them. Instead, I thought about all the people they managed to worry with their frightening speculations. I offer these people a new element for their peace of mind: A plant that has a similar, but much older design, than the one used for the Cuban plant has been operating in Finland for over

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eight years. It is the latest design. It has never caused problems and, in addition, it is the plant that has earned first place in the International Atomic Energy Agency's ranking given its safety and efficiency.

Haiti

De Ronceray: Election Participation '20 Percent'

Port-au-Prince Signal FM Radio in French
1030 GMT 5 Jul 95

[FBIS Translated Text] The Mobilization for National Development [MDN] is calling for the 25 June elections to be declared null and void, and demands that the Provisional Electoral Council [CEP] be fired. Hubert de Ronceray says the Haitian people have a right to a credible CEP and competent BED [Departmental Electoral Office] authorities. De Ronceray says the 25 June elections were marked by incoherences, disorder, and crooked wheelings and dealings. He affirms that the 20 percent participation in the elections cannot be called a victory for the Haitian people.

[Begin unidentified speaker recording, in Creole] The MDN asks that the 25 June elections be annulled nationwide and that general elections be held before the end of 1995. MDN asks that this CEP be fired and another CEP be formed, as per Article 280 of the transitional dispositions of the Constitution of 1987. MDN asks that the BED's, BEC's [Communal Electoral Offices], and BIV's [Registration and Voting Offices] the way the 15 political parties asked in the resolution they issued on 9 February 1995. MDN asks that the Election Monitoring and Supervision Unit, USCE, be put into practice — a body many political parties wanted to form.

MDN says that they [not further identified] will not get away with this stab in the back that the 25 June elections constitutes [ke koud ponya elekesyon 25 jwen 95 la pap pase].

Benoit Calls Aristide-Michel Government 'Dictatorial'

Port-au-Prince Signal FM Radio in French
1030 GMT 5 Jul 95

[FBIS Translated Excerpt] Some 30 people were jailed by the police after the Kenscoff Communal Electoral Office [BEC] was set on fire. The prisoners appeared before the Office of the Public Prosecutor of the Civil Court of Port-au-Prince for the second time on 4 July within the framework of the investigation into the fire. After the hearing the examining magistrate referred the accused to another court. The relatives of the accused argued for the innocence of the prisoners to Signal FM, since a number of those being held are not yet of legal age. [passage omitted]

The National Congress of Democratic Movements [Conacom] sees in this only a single electoral scandal: The 25 June elections. During a news conference held yesterday at Conacom headquarters, Professor Victor Benoit denounced what he called the dictatorial practices of the Aristide/Michel government. Benoit calls flagrant violations of the Haitian Constitution the accusations made without proof against members of Conacom.

[Begin recording in Creole] [Reporter] Conacom is calling the 25 June elections an electoral scandal. At a news conference, party leader Professor Victor Benoit denounced the attitude of the Aristide government, which is he says is acting just like a dictatorial government. As regards the members of the party who were arrested in Anse-d'Hainault and held responsible for the death of Henock Jean-Charles, a National Front for Change and Democracy candidate for deputy who was killed on 26 June, as well as the other members of Conacom who were arrested in Kenscoff and accused of setting fire to the Kenscoff BEC, Victor Benoit said these are flagrant violations of the Constitution because the accusations are unfounded. Furthermore, they released Conacom members without their having appeared before an examining magistrate.

[Benoit] Following the electoral scandal of 25 June, Conacom calls public attention to several points: The first of these is that there is a flagrant violation of the Constitution and of human rights going on in the country. We have the proof in the Kenscoff area. Since 26 June, a bunch of citizens in the commune of Kenscoff — some of them not members of Conacom, not supporters of Conacom — have all been accused, without proof, of having set fire to the Kenscoff BEC, and were thrown in jail arbitrarily. There was not even a warrant issued for the arrest of most of them.

We say before the public and the press: They can go up to Kenscoff and investigate, but they will see that no BEC burned down. [end recording]

CEP To Promulgate Election Results 8 July

Port-au-Prince Signal FM Radio in French
1030 GMT 5 Jul 95

[FBIS Translated Text] The Departmental Electoral Office [BED] for the Department of the West says it is ready to publish the results of the 25 June elections. Meanwhile, at the level of the Haitian political parties, things are becoming more intense. According to the new president of the BED/West, everything is ready for the

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publishing of election results at all levels. However, the Provisional Electoral Council [CEP] has announced the promulgation of the complete results of the elections for Saturday [8 July].

Meanwhile, Haitian political leaders continue to denounce the irregularities that they claim marked the process. The National Front for Change and Democracy, FNCD and the Mobilization for National Development, MDN, reaffirm their position in favor of fully annulling the 25 June elections. They also ask that the CEP be fired for incompetence. Certain other political groups say they would like to see elections held again next December. Here is one of the FNCD's spokesmen, Turneb Delpe.

[Begin Delpe recording, in mixed Creole and French, in progress] ...and that is the FNCD position vis-a-vis the contested 25 June elections. The FNCD has said clearly that it will not accept the results of these widely-contested elections. Thus, consequently, it seems to me that the position has been stated clearly. We don't have to say, now, that if the results are...[pauses] we have said that we won't accept them. I think that is a position that is clear. We are not hedging. We are expressing clearly the position of the FNCD. [end recording]

For his part, (Marcferl Morquette), a former deputy of the 45th legislature, denounces the irregularities that occurred during the 25 June elections. Former deputy (Morquette) casts doubt on the impartiality of the electoral council [CEP] during the voting. He reveals that a goodly number of Haitian voters were not able to vote at the polling stations where they had registered. (Morquette) holds the CEP responsible for the breaches that marked the electoral process nationwide.

[Begin (Morquette) recording, in Creole] Those elections were held for the benefit of a single political party, OPL [Lavalas Political Organization], and all the structures that the BEC's [Communal Electoral Offices], BED's [Departmental Electoral Offices], and BIV's [Registration and Voting Offices] put in place were aimed at favoring, by all traditional means, immoral means, the success of the candidates running under the OPL banner.

I must tell you that in Dame Marie, 39 BIV's were formed. All of the members of the BIV's were trained by communal section delegates; all were members of OPL; and, also, many of them were members of the FNCD. And it is at the orders of the Jeremie BED that those members, who are members of OPL and to a certain extent of FNCD, were recruited, so that they could hold the election. Thus, all other political parties had no chance at all in these elections, (?elections rigged) in favor of those one or two political parties. [end recording]

Runoff Elections Postponed

PA0507224695 Paris AFP in Spanish 2151 GMT 5 Jul 95

[FBIS Translated Excerpt] Port-au-Prince, 5 Jul (AFP) — An official from the Provisional Electoral Council (CEP) today told AFP that the runoff legislative and local elections in Haiti are being postponed from 23 July to 13 August.

The source explained that this delay opens the way for holding "complementary" elections on 23 July in the districts in which the 25 June elections did not proceed in a normal fashion.

These "complementary elections" will be held mainly in three northern districts where voting offices were set on fire and in the hamlet of Kenscoff, south of Port-au-Prince, for similar reasons. [passage omitted]

The CEP on 8 July must make public the official results of the fist phase of the elections. The coalition supported by President Jean Bertrand Aristide, "Lavalas Union," has already announced that it won the elections, as well as the majority in the parliament.

Organization for Democracy Calls for General Strike 6 Jul

Port-au-Prince Signal FM Radio in French 1030 GMT 5 Jul 95

[FBIS Translated Text] The Organization for Democracy in Haiti [l'Organisation Pour la Democracy en Haiti], OPDH, is calling for a general strike on 6 July to demand that the 25 June elections be declared null and void; that the CEP [Provisional Electoral Council], headed by Anselme Remy, resign; that a credible CEP be formed; that the electoral law be recast; and that credible elections be held at all levels.

The OPDH urges political parties to refrain from any compromise with the current CEP headed by Anselme Remy.

Further on JMRN, Mondestin Statements

Port-au-Prince Radio Metropole in French 1600 GMT 5 Jul 95

[FBIS Translated Excerpt] The political group JMRN [expansion unknown] is in favor of the Provisional Electoral Council [CEP] being reconstituted. JMRN, headed by Rony Mondestin, a candidate for senator, said it considers the 25 June elections to be a tragedy killing the population's hopes. During a news conference on

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4 July, Mondestin expressed the wish to see the CEP reconstituted in order to avoid what he called a national tragedy [drame]. Edner Jean explains:

[Begin Jean recording] According to the JMRN, the tragedy is the manifestation of the frustrations, anxieties, and failures — both individual and collective — of a society at bay. When competitors are portrayed as adversaries and adversaries disguised as friends in order to evade political debate, Rony Mondestin takes it as a sign that the country's democratic forces are becoming winded. He says that the underhanded placing of the elections under the supervision of another country is one more element that contributed to this electoral tragedy.

The electoral tragedy theme was repeated often during Rony Mondestin's news conference. Indeed, he reminded people that the Haitian Government financed only 10 percent of the elections budget, despite the elections constituting one of the fundamental expressions of national sovereignty. The seal of credibility that the backers [bailleurs de fonds] are attempting to give these elections will confer neither legitimacy nor prestige on any alleged victor elected through these elections, decried the former senator from the north, who nevertheless says that he had hoped these elections would be a mini-1804. [passage omitted]

Contrary to the other parties involved in the competition, which all denounced the poor functioning of the electoral apparatus, the National Renovation Movement [MRN] said rather conciliatory things about the CEP. For the MRN, although the organizational shortcomings of the CEP created a terrain favorable to this tragic outcome, on the other hand — and I quote the MRN: The CEP is in no way responsible for the political failure of these elections. Therefore, the MRN proposes that the first round of elections be held anew on the last Sunday in July in all areas where fraudulent acts have been denounced, and that the second round be postponed to one month later. A reshuffle of personnel from the Departmental Electoral Offices and Communal Electoral Offices, and the definitive dismissal of the current personnel of the Registration and Voting Offices are also sought by the MRN as prior and necessary conditions for the holding of new elections. [passage omitted]

Rony Mondestin's MRN, which became the JMRN for the elections, denounces the active involvement in the electoral campaign in favor of a particular political group by an executive branch and the structures relating to it, which gave rise to many violations of the electoral law by government officials while favoring aggressive acts on the part of individuals who knew themselves to be covered with impunity because of their political ties. [end recording]

Candidates Announce Sit-Ins To Protest Elections

Port-au-Prince Radio Metropole in French
1600 GMT 5 Jul 95

[FBIS Translated Excerpt] The FNCD [National Front for Change and Democracy] candidates in the Artibonite are organizing sit-ins before the area's polling stations, in protest. [passage omitted] Here is Jean Max Blanc with details:

[Blanc, in Creole, live or recorded] The war between the political parties and the Provisional Electoral Council [CEP], a war brought about by the 25 June elections, continues. The FNCD in the Artibonite area has announced that all the FNCD sympathizers in that region are going to hold sit-ins in front of 15 polling stations [biro elektoral] in the Artibonite. Two candidates for deputy — (Aksmen Antoine) for Estere and (Ranel Alcidor) for Verrettes — and one candidate for senator for the Artibonite region, (Serge Desroches), all three running under the FNCD banner, have announced that the FNCD's sympathizers are ready to hold sit-ins in front of the electoral offices, as one more way of protesting, to force the CEP to declare the 25 June elections null and void — elections which the three candidates denounce. Moreover, they say they are not interestted in the results of those elections, that they will not accept the results of the 25 June elections regardless of whether or not they were victorious in those elections. [passage omitted consisting of recorded statements of candidates (Desroches) and (Alcidor), respectively]

These candidates feel that the CEP and Lavalas are one and the same thing; thus, the CEP could not have done otherwise. Nevertheless, they denounce the fact that as an entire people delcared that the elections were not valid [pat bon], on the other hand, a small group stood up to say the contrary. [passage omitted consisting of recorded statement by unidentified man]

The sit-ins in front of 15 electoral offices that these three candidates have announced for the Artibonite region are going to be the first such demonstrations that a political party will be organizing to protest the 25 June elections, an election that a majority of the political parties are denouncing.

For its part, the CEP says that, cost whatever it may cost, it will make public the results of the elections next Saturday, 8 July. [end recording]

Renewal of Violence in Port-au-Prince Noted

Port-au-Prince Signal FM Radio in French
1030 GMT 5 Jul 95

[FBIS Translated Text] A renewal of violence in Port-au-Prince: Two people died last night when they were

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attacked with automatic weapons on Ruelle Nazon [street]. According to information gathered at the scene, the assailants were in a pickup truck. No one was able to get the license plate number. They opened fire on a white Toyota Camry, killing the vehicle's two occupants: Yves-Marie Claude — nicknamed Toto Claude, brother-in-law of the former officer [name indistinct] who owned the service station named Aigle du Nord [Eagle of the North], who was also murdered, shot in Petion-Ville a few years ago — and Claude's accountant, Mario Beaubrun. A few moments after this double murder, a joint minuha [UN Mission in Haiti, UNMIH] and Haitian Police unit came to the scene in order to write up the legal report before the victims' bodies were taken to the morgue.

According to as-yet-unverified information obtained from certain witnesses, several other people — mostly passers-by who were going about their business —were wounded when the gunmen opened fire.

We have also learned that the Petion-Ville residence of the former president of the Port-au-Prince Bar, attorney Gary Lissade, was struck by a Molotov cocktail the day before yesterday, at approximately 0100. We have learned from a nearby neighbor that the Molotov cocktail completely destroyed a red vehicle that was in the yard. We promise to bring you more information on this matter during the course of the day today.

MFN President Says Elections 'Broke Up' Reconciliation

Port-au-Prince Signal FM Radio in French
1030 GMT 5 Jul 95

[FBIS Translated Text] The president of the permanent executive body of the movement for national reconstruction [du mouvement pour la reconstruction national] (MFN), called the unfolding of the 25 June elections a tragedy. At a news conference, Jacques Rony Mondestin proposed that the first round of elections be held anew on the last Sunday in July in all areas where fraudulent acts have been denounced.

Moreover, the head of the (JNRN) [expansion unknown] advocates a reshuffle of BED [Departmental Electoral Offices] and BEC [Communal Electoral Offices] personnel, the definitive dismissal of the people currently in charge of the polling stations, and a revision of the voter lists. Such actions — according to Mondestin — are the preliminary conditions necessary for holding new elections in Haiti. Furthermore, he expressed his indignation over the behavior of the authorities [des responsables], and said that the word reconciliation is not the right word to us, at this so very difficult moment.

[Begin Mondestin recording, in mixed Creole and French] If we continue along this [word indistinct], politically, we are headed for problems. Okay? [preceding word in English] We are headed for problems.

Now, if there is immediate redress, gradual redress; (?if there is) a political will to redress matters, well, we have great prospects to make of this country a very beautiful country. Because the essential thing is that, what we were not able to do, what we did not succeed in doing in 1804 — that is, to acknowledge that there are several different segments to the society, acknowledge that everyone has [the right to] a space in the political power, acknowledge that...[pauses] the differences that exist among us and that, precisely — and precisely because of — those differences, we must all have a portion of the political power. Now, if we recognize that, we would not...[rephrases] we won't fail.

Precisely, when we promote such acknowledgement, and concretely apply a set of themes of pluralism...[pauses] in the last analysis, one would say that what really happened on 25 June is that 25 June somewhat, sort of, broke up what I myself had called a reconciliation, which the president (?talked) about. I have the impression that it broke it up. I have the impression that...[changes thought] unless they themselves, who were talking about reconciliation, had a very narrow concept of reconciliation. [end recording]

General Hospital's Doctors Begin Strike

Port-au-Prince Signal FM Radio in French
1030 GMT 5 Jul 95

[FBIS Translated Excerpt] The doctors and residents of the National University Hospital of Haiti began a strike the day before yesterday to demand an adjustment in their salaries and better working conditions. The hospital's patients have been left to their own devices. The residents and interns intend to stop their movement after they receive a satisfactory response from the nation's health authorities. Here is Dorvil Kenol with a report:

[Kenol, in Creole] One of the capital's biggest health centers, the general hospital, is facing a grave crisis. Residents and interns have gone on strike in order to — as they said themselves — show their importance within society, and these physicians are demanding a 300 percent salary increase.

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The residents of the general hospital say that nothing (?positive) has ever come from all the talks they have had with the health authorities. These ladies and gentlemen, who seem determined to not stop their strike until they obtain satisfaction for their demands, highlighted the irresponsibility of the authorities concerned regarding the functioning of the general hospital. The interns will tell you clearly what they want. [passage omitted]

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Arrival of U.S. Aid Boosts Stock Market

PA0607032995 Mexico City Radio Red Network in Spanish 0000 GMT 6 Jul 95

[Report by Antonio Guzman from "The Night Monitor" newscast]

[FBIS Translated Excerpt] On Wednesday [5 July], the stock market showed a 5.58 percent improvement, which is the largest gain of the year. With this increase, the primary index reached 1,306.30 after gaining 121.84 points.

According to analysts, the market upsurge was prompted by optimism among domestic and foreign financial circles following the arrival of $2.5 billion of the $20 billion aid package the United States allocated for Mexico in February. This optimism also was reflected in the high volume of trade, with 158 million shares worth 1.275 billion new pesos exchanging hands. [passage omitted]

Interbank interest rates were mixed. The Average Interbank Interest Rate dropped slightly, falling 0.11 points to close at 43.93 percent. Meanwhile, the Equilibrium Interbank Interest Rate rose slightly, gaining 0.03 points to close at 44.18 percent.

In other financial news, the Bank of Mexico [Banxico] reported international reserves at $10.082 billion as of 30 June. This figure is $273 million lower than the previous week's level. This time, however, Banxico did not gave an explanation for the decline. Also, $212 million in treasury bonds were amortized last week.

Meanwhile, the Finance Secretariat reported that branches of the following banks have received authorization to operate in Mexico: AGBN Amro Bank of the Netherlands, the Bank of Boston, and the French BNP Bank. An official communique reported that direct joint investments from the three multiple-banking institutions represent some 270 million new pesos.

Zedillo News Conference Covers Current Issues

PA0607010295 Mexico City XEW Television Network in Spanish 0530 GMT 5 Jul 95

[News conference by President Ernesto Zedillo with domestic and foreign reporters at Los Pinos Presidential Residence on 4 July in Mexico City — recorded]

[FBIS Translated Text] Good morning, companeros from the media. As we committed ourselves to doing last month, we are here to answer your questions. There are more raised hands today than the last time. Elena, please.

[Elena] [Words indistinct]

[Zedillo] I cannot hear.

[Elena] Ten days ago in Mexico State, you talked about a small group of ill-intentioned people who want to harm the country. I want to ask two questions in this regard: The public, of course, wants to know who they are, but if they were identified, and given the fact that this is a small group, would it not be easier to contain them, sir? And course, who are they? Thank you, sir.

[Zedillo] Thank you, Elena. What I said in Mexico State, more or less, is that there has been in the past 18 months a concentration of violent crimes in our country that have clearly had very negative effects on Mexico's social stability. In view of this concentration of events, we, the Mexican people, have some basis to presume that behind these crimes there is not only the intention to harm the lives and safety of those who have been directly affected by such incidents, but that in view of this concentration, this recurrence of violent acts, we can also presume and infer, although not make any definitive conclusions until we know who they are and why they did this, that there is an effort to destabilize the country.

Obviously, if I knew who these people were, we would already have applied the full force of the law to determine culpability. In fact, in some cases, fortunately, through the mechanisms that are available to us in the administration of justice, we have managed to achieve significant progress in the past months. We will not know for certain whether these incidents are deliberately linked or respond to a common goal to destabilize the country until we have solved all of these cases. If we manage to do this, and I hope we will, we will be able to definitely confirm the theory of common interest to destabilize the country through these acts.

I cannot allow this opportunity to pass without voicing my curiosity over the semantic debate unleashed by... [pauses] I will not use that word, because it is not a word in the dictionary, but one that comes from colloquial language. It will be very difficult for us to agree whether it is correct to use that word or whether I should use a stronger word. I do not usually use stronger words in public. [Name indistinct] is next.

[Reporter] Mr. President, in recent weeks and months, there has been much talk about the performance of Jose Maria Cordoba in the previous six-year period. I want to know why he was replaced as representative to the IDB [Inter-American Development Bank] and whether this was your decision.

[Zedillo] Mr. Cordoba held that position since April 1994. He had worked in certain credit operations of great importance for our country within recent months, in fact, since my administration started. These were

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days in which we needed to normalize the inflow of credit into Mexico. As soon as those credit operations were completed, I decided it was time to change Mexico's representative to the IDB. Alex Salvador of EXCELSIOR.

[Salvador] Mr. President, the case of Carlos Salinas de Gortari is becoming a national obsession. There are even reports he is preparing to defend himself from the attacks by the media and from other allegations against him. I would like to know specifically the federal government's specific position regarding former Mexican President Carlos Salinas de Gortari.

[Zedillo] I do not have any information supporting what you just said. Unfortunately, I must say this: In recent months, perhaps in recent years, the habit of publishing rumors or statements that are not attributed to a specific source has proliferated. This unfortunately affects public opinion.

In this regard, in light of a report from an unspecified source, I have no comments. I want to make it clear, however, that the propagation of hearsay, gossip, and rumors without clearly specifying the source is regrettable.

[Reporter] Although many people have suspicions concerning the reasons behind the resignation of former Government Secretary Moctezuma, could you explain what actually prompted his resignation?

[Zedillo] Mr. Moctezuma's departure from the position he held in the government was prompted by a combination of personal and institutional reasons. I would not like to refer to the personal reasons Mr. Moctezuma had to consider when deciding on his resignation. He should explain this when he deems it appropriate. He will be working by my side very soon, and I am confident that at some point he will be able to explain to reporters the personal circumstances behind his resignation.

Also, given those personal circumstances, there was an institutional interest in revitalizing, renewing, expanding, and consolidating some changes regarding domestic policy matters — a process that began during Mr. Moctezuma's tenure. Given the personal reasons Mr. Moctezuma had for resigning, the former government secretary and I deemed it appropriate to change the head of the Government Secretariat team.

During Mr. Moctezuma's tenure, we began valuable processes to support the political advancement of the country. We began a new relationship of dialogue and understanding with the various forces and political parties in Mexico. We were able to give a new institutional character to the handling of the Chiapas conflict. Also, we were able to establish a new relationship with other players or groups within Mexican society. It is very important at this time to renew these initiatives, to expand them, and to fulfill the ambitious political development agenda included in the National Development Plan.

In this regard, by common agreement with a person who is worthy of all my trust — namely, Mr. Moctezuma — I decided the proper thing to do was to change the government secretary.

Mr. Arguizo of EL UNIVERSAL.

[Arguizo] Good day, Mr. President. Is not the resignation of Mr. Moctezuma the result of a political crisis? We could hypothesize the existence of a political crisis because the calls for a national dialogue have not had any results. It seems there is no support for these calls, and it also seems there are problems within the political parties. Is there a political crisis in Mexico, Mr. President?

[Zedillo] Each individual has his or her own opinion on the political situation in our country. I do not believe the fact that formal talks are not being held on the agenda established some months ago necessarily means the country is experiencing a political crisis. Allow me to say why I do not share this viewpoint: First, because the initiative of the national political dialogue came from the government of the republic. The government convened this national dialogue precisely at the beginning of the current administration. This government began with strong support, following the August elections. The call to a national dialogue was not the product of a crisis or pressure from different political forces. I want to state clearly and with conviction that the current government, the administration that began on 1 December 1994, is not facing a legitimacy crisis.

There is no doubt in our country about this government's legitimacy, constitutional foundation, or the support of the electorate. We are convinced, absolutely convinced, however, that political change in Mexico is necessary. For this reason we have taken and will continue to take the initiative. The calling off at different times of this national political dialogue has been a problem of the political parties; it has been their decision. Sometimes, they have done this because of reasons that supposedly run against their wishes, and sometimes because they have been unable to reach an internal consensus to define the topics and scope of their proposals.

I am convinced this national political dialogue is necessary. One of the objectives of my government is to accelerate the transition toward a political system that does not merely satisfy the wishes of democracy of the Mexican people but also gives confidence to the citizens and

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guarantees the country's full and unquestionable governability. We are not going to achieve this solely on the government's initiative. We also need the consent of the other representative political forces in the country. To achieve this, parties also need to resolve their own internal problems, as well as to adopt a loftier vision that responds more to long-term national interests rather than to special interests.

It seems that, in light of this attitude among the political parties, we have fallen into a vicious circle. The national dialogue is necessary to prevent specific problems within larger problems, as the ones that concern some of you now. In addition, we are told that we cannot and must not advance in the national dialogue if we do not resolve specific problems. I feel this is a misguided view. Our responsibility as political interlocutors and representatives of very broad segments of the Mexican population is to defend the long-term interests of the country; to define, as good Mexicans that we are, the political system Mexico needs at the start of the 21st century; and to define, beginning from this point in time, what we need to do to achieve this political system.

We must not get mixed up, confuse things, and obstruct the march toward democracy by paying attention to problems that, yes, do indeed exist and can be legitimately raised, but are in no way related to the nation's long-term political agenda.

[Reporter] Mr. President, on the topic of legitimacy, how do you feel about the security program guidelines that say any citizen can be detained just because he fits the, quote, suspicious-looking, unquote, profile. Also on the topic of legitimacy, how [words indistinct] is your outlook concerning the Baja California elections?

[Zedillo] Public security is one of the most heartfelt demands being voiced by Federal District [DF] citizens, and, I suppose, although you did not mention it, that is what underlies your question. Unfortunately, in recent months, the crime rate that has been rising for several years in Mexico City has become more pronounced. In view of the demand by citizens, the DF authorities and people in charge of the police corps have established a program that seeks to prevent, remedy, and inhibit that growing crime rate. In recent days, I have seen reports published in the newspapers for which you work that claim the program has prompted some anger.

Well, I think the answer lies in what we have done in the past few days: to try to gather a consensus on the program, this specific program, or another program with other characteristics but one that resolves, directly and effectively, a problem that does indeed exist in Mexico City. It seems that the great lesson that must be learned from the recent incidents is that, prior to launching such a program, we must talk with the members of the DF Assembly of Representatives and representatives of citizens groups to reach not only an agreement but to share duties.

When there is a serious problem, the citizens exert pressure on the government to take action, just as they have every right to do. The government proceeds to take action, but then, other groups come out and say no, that this is authoritarian, and that it violates individual guarantees, and, in turn, this limits the authorities' action to correct a problem that most people view as very serious. What is the answer? Well, it is reaching an agreement and sharing responsibilities. This is what I have ordered the chief of the DF to do.

With regard to Baja, California, an electoral process is under way. I trust that, in line with the great democratic tradition of that state, the elections will be held in a civilized and orderly manner. I have tried, am trying, and will succeed in being completely respectful of this electoral process, which only concerns the people of Baja California.

Some people ask why I have remained so distant from Baja, California — the state in which I grew up and received the largest share of my education. I have done so not because I am uninterested in the problems of this state. I feel great affection for that place. In addition, I am convinced that it has a great potential in making a substantial contribution to the country's development — the development we want for the coming years.

Nevertheless, if I go to Baja, California and make some statements for the benefit of the state, they will be interpreted as undue intervention in political affairs that only concern Baja, California residents.

When there is a new governor, undoubtedly, I will collaborate with the new government to carry out a very ambitious development program for that state within the terms of our Federal Pact.

As you know, Baja, California is a state that receives Mexicans from practically the entire republic. The population grows by 7 percent a year. It is a state that, although it has very high economic growth, it also has problems that seem to multiply in relation to that economic growth. It is a state that needs the collaboration and support of the federal government to meet social demands that are constantly increasing.

Go ahead, Mr. Ferris.

[Ferris] We at the news agencies and with the press are somewhat confused by mixed signals. I would have never imagined a man such as Esteban Moctezuma leaving the Government Secretariat and a governor

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reaching the Government Secretariat. Can we infer that priority is being given to Mexico's political problems and that Mexico's political problems and delays in resolving them are also delaying the resolution of the nation's economic problems? In other words, can we infer that the two things are so closely linked that your government will make changes to accelerate the solution of political problems in our country?

[Zedillo] First, let me talk about signals. Signals are perceived and disseminated by you, the reporters. Therefore, each reporter perceives signals in keeping with his views, and then he decides which ones to read and disseminate. I do not think that the country is being managed via signals. The country is being managed via policies and institutions, and the policies of this government have been clearly established since the first day we took office, and they have been reaffirmed and expanded within the National Development Plan. We have also insisted that individuals, as part of institutions, are important. The determining factor for the implementation of policies is the strength of the institutions.

As for the second part of your question, I have maintained that we must attack all fronts to ensure development in our country. It would be insufficient, inadvisable, and certainly frustrating for the aspirations of all Mexicans if we emphasized only one aspect — let us say, for example, the economy. The country wants to and must development on all fronts — economic, political, and social. To ensure economic growth, we need political stability. To ensure that economic growth is fair and that it is better distributed, we need a political system in which the interests of a great majority of the Mexican people are clearly represented and that they play an active role. This clearly demands progress and political changes. In this regard, I will never cease to insist that progress cannot occur solely on one front.

I cannot say what should come first. I think that progress should be simultaneous. Today, political problems are considered serious because the economic situation is difficult. We also know that as we advance in the political realm and manage to build a consensus, which most of us Mexicans want in our country, it will a little more... [pauses] it will be much easier to resolve economic and social problems.

[Medina] I am Mario Alberto Medina of EL DIARIO DE MEXICO. The installation of Government Secretary Emilio Chuayffet held at the National Palace was major news yesterday. Many people are wondering about the political significance of the fact that Mr. Chuayffet was installed at the National Palace, because he has been described as having close ties to Mr. Carlos Hank Gonzalez.

[Zedillo] With all due respect, you just confused several things. As for signals [chuckles], it took place at the National Palace because I thought it was appropriate to do so, because after all, that is where the main office of the president of the republic is located, and yesterday I decided to work there. I see nothing beyond this that I could explain. As for whether Mr. Chuayffet is close to various individuals, I hope that my government secretary will maintain contacts with many politicians who belong to my party, as well as those who do not. That is the duty of a government secretary: To maintain political contacts with everyone to reflect Mexico's plurality and political diversity. It is your turn, Mr. Golden of THE NEW YORK TIMES.

[Golden] Thank you, Mr. President. I would like to return to the topic of Mr. Jose Maria Cordoba Montoya. Has your government investigated the relationship between Mr. Cordoba an and Ms. (Marcela Bodens), who, according to the Attorney General's Office, has been investigated for alleged ties to drug trafficking? Has any investigation been conducted on Mr. Cordoba Montoya's possible ties to the Colosio case? Did these two things have anything to do with your decision to remove him from his post?

[Zedillo] Yes, it has been documented, and some newspaper published the transcripts of recordings — where is our friend from REFORMA? He did not come, oh well — that Mr. Cordoba Montoya... [pauses; Zedillo points to someone on his right who is not shown on screen] — that is not polite — that Mr. Cordoba Montoya had a relationship with a woman who allegedly kept bad company.

We have two important facts here. This woman is not under arrest and has not been charged with any offense. It is regrettable she kept bad company. If at some point it is establish that she bears some responsibility, I am sure the attorney general will act. It seems to me that Mr. Cordoba Montoya's mistake is something he should discuss with his wife and which will require her forgiveness.

Until now, there is no action of an illegal nature that allows us to bring charges against Mr. Cordoba Montoya for this relationship. We must make this very clear. I have asked the attorney general about this. In any case, this is a moral problem that is up to Mr. Cordoba Montoya and his wife to resolve.

Regarding the other question, I must answer flatly, and last night I did so directly: There is nothing that links the murder of Mr. Luis Donaldo Colosio with Mr. Cordoba Montoya. I do not know why some news media have spread that version. The attorney general has not

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provided any information that points in that direction. I want to be emphatic about this point.

Your microphone is off. Please come up.

[Mosquera] I am Angela Mosquera of UPI. I would like to ask whether you had any personal contact with the relatives of Judge Abraham Polo Uzcanga...

[Zedillo, interrupting] Who?

[Mosquera] With the relatives of slain Judge Abraham Polo Uzcanga. I would like to hear your views on the implications of this murder, considering he had raised charges against the judicial branch.

[Zedillo] Thank you. I would like to begin by saying that the murder of Judge Abraham Polo Uzcanga is regrettable and painful for all Mexicans. He was an official who devoted to life to obtain and met out justice. Most of the people who met him had a good opinion of this official. He was a strange case in his milieu, because many people spoke well of him and, as far as we know, he had performed the tasks assigned to him honorably. This is one of the examples of crimes I mentioned earlier. It is not just that a person is killed — an act that is in itself extremely painful — but the killing of that person harms institutions and disrupts the country's tranquillity and social peace. I have not doubt — I am making an inference but I think it is valid — the person or persons who killed Judge Polo Uzcanga were not merely seeking to kill a man. They were seeking to harm a country and injure the conscience and spirit of all Mexicans. That is why this crime is doubly regrettably. What we have done from the start is to order the authorities in charge to use their best human and material resources to investigate this crime.

From the moment it was discovered that Magistrate Abraham Polo Uzcanga had been murdered, the DF attorney general went to the site of the crime accompanied by the president of the National Human Rights Commission. From that moment onward, I instructed him to use his best resources in the investigation.

Regarding the incidents Polo Uzcanga had reported before his death, we proceeded in line with the procedures established under the law to investigate his charges. This is being done according to the law.

Those who killed Polo Uzcanga are very conspicuous to me, because they knew very well that he had made those charges. They also knew very well that Polo Uzcanga had been offered protection but that he rejected it.

The DF attorney general and the chief of the DF spoke with him and offered him a bodyguard for personal protection, but he rejected the offer. This is very tragic. It is obvious that we could not force him to accept government protection. I deplore very much that he made that decision, because that moment, no doubt, became very important for the murderer or murderers.

I have had no personal contact with the magistrate's family. I ordered officials of my government, mainly the DF attorney general, to keep in contact with his family.

Shortly after the murder, one of his relatives came to Los Pinos to furnish some information. I was busy with other matters, but I summoned the attorney general to Los Pinos immediately so he could hear the information that Polo Uzcanga's half-brother — I understand it was his half-brother — wanted to give. His testimony has been taken into account in the investigations.

[Velasquez] I am Carlos Velasquez of ECONOMISTA. Recently, there have been some unexpected economic events, such as the crisis in the savings and loans and the gradual increase in the value of the dollar. What is your economic and financial prediction for the next three months? Will these events change the outlook you originally had?

[Zedillo] Definitely not. You mentioned two facts that do exist — facts that we predicted a while ago. However, aside from these two events, there are many others that are positive in nature and confirm the economic adjustment program is working with regard to the objectives we established when it was announced. I think it is very clear that the risk of financial collapse our country experienced in the first quarter of 1995 has been significantly reduced. I believe we are at another stage of the economic adjustment program.

The adjustment to our current account has worked very well. Our trade balance has been highly satisfactory. We have accrued a trade surplus of approximately $2 billion, meaning a change of almost $8 billion in comparison to last year. The public finance balances are very satisfactory, especially because they show that we will have a solid basis for the economy's future growth. Although the financial system has faced problems, such as those you mentioned, its condition is substantially healthier than it was in the first quarter of this year.

We are currently going through the most difficult times in terms of employment. This is what concerns me the most. I want to pull out of this situation as soon as possible. I fully trust that to the extent that we have these results, as well as to the extent that we persevere in the implementation of the adjustment program, we will begin to see relief in the unemployment situation in the next few months.

As you said, there are worrisome aspects, but fortunately there is an ample amount of positive aspects that

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show that, via all the efforts being made and through discipline, we are on the right track.

Yes, go ahead, the woman in the red sweater.

[Tejeiro] Alejandra Tejeiro from Mexican Cable Television. Just several weeks ago, there were acts of violence in Coyuca Benitez, Guerrero State. What can you tell us about this, and what instructions have you given?

[Zedillo] It was one week ago, not several, unfortunately. It is very sad, very regrettable, and very painful. The loss of human life should always be reason for all Mexicans to feel sorrow and anger. The federal government's position on this is very clear. This is a case for the law. Our request, our firm request, to the state authorities was for them to investigate these incidents completely and full detail, as well as to file whatever charges are required, in order to resolve this case and serve justice. I believe there is no other way to deal with this. We must determine whether anyone is accountable, and, as I see it, someone should be. It is encouraging to hear that charges have been filed against a group of 10 policemen who are believed to have taken part.

I also would like to say that what happened there only reaffirms once again one of the concerns we have repeatedly expressed about the justice system. This concern lies in the fact that our police forces are not fully professional; they do not know how to deal with risky or high tension situations; and we definitely have plenty of work to do to select and prepare personnel for our police forces and other such organizations, which are so vital for the country's public security.

Within that context, the reforms we began practically from day one of our administration are on the right track. In a constitutional reforms package we presented in December, we proposed the creation of some kind of nationwide police coordination system. This would also lead us to establish new standards for selecting, training, and evaluating the performance of our police forces. Of course, this is not something one can do overnight. Today's very complex and cumbersome system that governs our police forces took years to create. It will take us some time to correct and improve things.

I repeat, this incident is very regrettable. The government has asked for a full investigation, no matter what the consequences, and it is calling for the guilty to be punished if the investigation uncovers those who are responsible for this sad loss of Mexican Indians and peasants. Do you have a question, Monroe?

[Monroe] On this same topic, sir, the Party of the Democratic Revolution [PRD] has taken advantage of the incidents in Guerrero to launch a campaign to pressure the government into removing the governor or Guerrero. What is your opinion of the PRD's actions, which clearly run against the national dialogue process?

[Zedillo] Let me make it clear that the federal government does not have the authority to request the removal of a state governor. The PRD knows this. I think you would have to ask them about their political reasons in connection with this case and present them as such.

[Reporter] Thank you, Mr. President. Peace talks resume today in San Andres Larrainzar, Chiapas. What would the president of Mexico like to see? The government has the will to resolve, and I quote, the fundamental problems regarding the reincorporation of the Indian population that has suffered from so many years of neglect, but there seems to be no response to that effort from the other party in the talks. What does the president of Mexico expect from this new round of talks, now that we have a new secretary of government, and given the government's willingness to expand democracy and strengthen the political system.

[Zedillo] I hope there will be a very positive attitude on the part of the other party. I would like to see more receptiveness toward the government's proposals and more progress in resolving the issues that have been left pending. There are several such issues from previous meetings. Most of all, however, I hope we can soon reach the point at which we can discuss what I believe is the truly important and transcending issue in this whole problem — namely, paying attention to the legitimate social demands presented by the Indian communities in that part of the country.

In my opinion, it is regrettable that we are spending so much time on issues that I think could have been resolved rather quickly, and that we are not dedicating those efforts, goodwill, attention, and interest to address issues that concern the Indian population. In turn, I would say the Indian population is awaiting more action and less politics. Politics is important, and political interests are important, but they must not be placed above the meeting of basic social demands.

The government of the republic wants and will display a very ambitious social policy in this part of our country to attack the roots of problems. The government of the republic has urged, at least so far, those who are dissatisfied to be corresponsible and to become part of the solution to social problems. Therefore, I hope that very soon there will be discussions of the issues that truly concern the people, and I also hope that political aspects, which will not be neglected, will not become obstacles to social development.

Companera, you will be the last one.

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[Ahuactzin] Thank you. I am Rosy Ahuactzin of the ACIR Group. Sir, seven months into you administration, the leaders of the PRD and the PAN [National Action Party] described you as a weak president. Without stopping to exercise tolerance, which you have mentioned in your speeches, do you not think there is a need to adopt a hard line in Mexico? Also: Does yesterday's speech by Emilio Chuayffet not establish different guidelines for domestic policy?

[Zedillo] I definitely do not think that authoritarianism or a hard-line policy is the solution to Mexico's problems. Frankly, anyone who thinks this way does not know what people want or in which country he is living. Mexicans want democracy; they want peaceful, orderly, and civilized social coexistence. My government has proposed this, and it will continue to work on it.

As for the descriptions of certain opposition leaders, everyone has his own way of disseminating political propaganda. It is up to them and their consciences. I will continue to maintain a respectful relationship with them, because the president of the republic must always be respectful toward all political forces and their leaders. They themselves must decide whether to refer to the president of the republic in a respectful manner, and the people will make their judgments about the public statements of those political leaders.

Mr. Chuayffet's speech yesterday in no way deviates from the position we have maintained since the start of my government. What we want, and what we have done, is to promote Mexico's democratic development. We want to promote dialogue and negotiation among the country's major political players, but this must be done within the constitutional framework — within a legal framework. As Mr. Chuayffet said, even the Constitution indicates how the Constitution can be changed when we disagree with it. There is no other path: Negotiation within the framework of the law; civic action within the framework of the Constitution, which we, the Mexican people, established for ourselves.

Thank you very much, and have a good afternoon.

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Guatemala

De Leon Announces Strengthening of Relations With CIA

PA0607000395 Guatemala City PRENSA LIBRE in Spanish 5 Jul 95 p 6

[FBIS Translated Excerpt] President Ramiro De Leon Carpio yesterday said legal relations with the CIA will be strengthened within a few days as part of the struggle against drug trafficking and organized crime.

He said relations between all countries and the world's intelligence agencies are normal when actions are carried out within the framework of the laws established in the country in which such actions take place. Nevertheless, espionage and counterespionage run contrary to national laws. For this reason, any Guatemalan national or any foreigners found to be connected with these activities will be handed over to the authorities and eventually sentenced, he said.

The president said: I think it is good for Guatemala to be the first country in which the CIA is reorganizing its intelligence relations with other countries. De Leon warned, however, that all actions must be carried out within the framework of the law. [passage omitted]

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Argentina

Di Tella Pleased With Cardoso's Remarks on Auto Quotas

PY0607030295 Buenos Aires TELAM in Spanish 0036 GMT 6 Jul 95

[FBIS Translated Text] Buenos Aires, 5 Jul (TELAM) — Foreign Minister Guido Di Tella said tonight that Brazilian President Fernando Henrique Cardoso's remarks confirm that Argentina's trade relations with that country will not include any quotas or restrictions.

"President Cardoso's remarks confirm what we already knew. There are no quotas or restrictions of any kind," said Di Tella, after a meeting with Economy Minister Domingo Cavallo at the Finance Ministry.

Cardoso said that his country would refrain from imposing quotas on car imports from its Mercosur [Common Market of the South] partners, in remarks he made from Venezuela to a Brazilian radio station.

"What Cavallo said yesterday and what Cardoso said today is what we said the first day. No limitations have been imposed on trade, and we are discussing the issue of car imports in a very cordial and constructive climate," Di Tella added.

"We made a deal, and we have 30 days to negotiate the issue and then report to our respective presidents. We will not negotiate through the press," the foreign official said.

Di Tella smiled, and added: "We like journalists, and do not want to use them as intermediaries in the negotiations."

Di Tella met for about an hour with Cavallo to review the Mercosur negotiations. He then confirmed that tomorrow "we will have more telephone contacts" with Brazil.

The minister noted that Cardoso would arrive in Argentina on 7 July to participate in the inauguration of President Carlos Menem's second term in office. Di Tella said that "there will be a meeting between the two presidents that we believe will be very important."

On 11 July, Vice Economy Minister Carlos Sanchez, Industry Secretary Carlos Magarinos, and Jorge Campbell, international economic affairs secretary, will travel to Brazil to continue to negotiate the car import issue. Di Tella will join them on 12 July.

"We will solve this problem promptly and in a very satisfactory way," Di Tella said, adding "by next weekend (15-16 July) we will have a lot to show."

Di Tella emphasized that the current negotiations "are not putting quotas under discussion, but rather our future trade relations. We will say nothing about them, though, during the 30 days that the negotiations will last."

Cuba's Fidel Castro Will Not Attend Menem Inauguration

PY0607001995 Madrid EFE in Spanish 1654 GMT 5 Jul 95

[FBIS Translated Text] Buenos Aires, 5 Jul (EFE) — It was reported in Buenos Aires today that Cuban President Fidel Castro will not attend the ceremony in which Carlos Menem will be inaugurated for his second term as Argentine president.

Argentine Foreign Ministry sources noted that Castro, who along with other presidents had been invited to attend the ceremony, decided to send a delegation headed by Cuban Vice Foreign Minister Fernando Ramirez de Estenoz.

The sources pointed out that Castro confirmed that he would attend the Fifth Ibero-American Summit of heads of state and government scheduled for October in the Argentine city of Bariloche, 1,800 km south of Buenos Aires.

Carlos Menem, 65, an attorney and the son of Syrian immigrants, will on 8 July begin his second four-year term of office after winning his reelection in the 14 May general elections with 50 percent of the votes.

Brazilian President Fernando Henrique Cardoso, Bolivian President Gonzalo Sanchez de Lozada, Chilean President Eduardo Frei, and Colombian President Ernesto Samper have confirmed through diplomatic channels that they would attend the inauguration ceremony.

Ecuadoran President Sixto Duran-Ballen, Paraguayan President Juan Carlos Wasmosy, Peruvian President Alberto Fujimori, and Uruguayan President Julio Maria Sanguinetti will also attend the ceremony.

Mexican President Ernesto Zedillo will send a delegation headed by Foreign Minister Jose Angel Gurria.

New Organizational Hierarchy for Vice Presidency

PY0607013695 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1943 GMT 5 Jul 95

[FBIS Translated Text] Buenos Aires, 5 Jul (NA) — Vice President-elect Carlos Ruckauf today emphasized that the new vice presidential organizational structure that he will head as of 8 July "is simple, and does not entail additional spending for the state."

Ruckauf therefore confirmed the vice presidential organizational structure that President Menem approved yesterday by decree, which includes two secretariats.

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In remarks to a radio station, Ruckauf explained: "There will be no secretaries or directors, only two secretariats. It is a very simple structure, as we do not want to incur additional spending for the state. Such spending has to be reduced and not increased."

The former interior minister also pointed out that the Coordination Secretariat would be headed by Esteban Caselli and the Institutional Relations Secretariat would be headed by Oscar Galie.

Caselli, who a short time ago was an assistant to Eduardo Bauza, secretary general of the presidency, will have the duty of handling the relationship involving the vice president's office, the ministries, and the chief of cabinet.

Galie, a career diplomat, will handle "the very important and hot issue of the Armed Forces promotion proposals and the appointment of ambassadors and judges." Ruckauf met Galie when he was ambassador to Italy.

Ruckauf also confirmed that he will have one office at the government house and another office at the Senate.

Ruckauf explained that during the morning he would be at the government house "to meet the president, the chief of cabinet, and the secretary general of the presidency" while in the afternoon he would be discharging his duties at the Senate.

In this regard Ruckauf pointed out that he would attempt to organize "a permanent working team, so that every time the president travels he will keep entirely abreast of all the government's activities."

More Provinces in Financial Trouble

PY0607132495 Buenos Aires CLARIN in Spanish 5 Jul 95 p 5

[FBIS Translated Text] Parallel to the conflicts in the provinces of Cordoba, San Juan, and Rio Negro, various other provincial governments yesterday began reviewing the possibility of reducing wages and paying outstanding mid-year bonuses with bonds.

Entre Rios Vice Economy Minister Maximiliano Asensio yesterday predicted: "All the provinces will use bonds to pay their wages." Sources in Catamarca Province announced yesterday that they would follow suit in paying mid-year bonuses to public servants.

Corrientes Governor Raul Romero Feris also admitted that his government has not yet determined if it will pay mid-year bonuses to public administration employees.

In Chaco Province, state workers' unions and the main teachers' union yesterday began a 24-hour strike in rejection of an adjustment bill sponsored by the provincial executive branch, involving a cut in workers' wages.

Monsignor Pedro Olmedo, the bishop of Humahuaca, noted: "Jujuy Province is a time bomb." The bishop thus joined the criticism leveled by the church. He emphasized: "We, the northern provinces, have been totally neglected by this economic policy."

The town councils and mayors of the towns of Recreo (Catamarca Province) and Rivadavia (San Juan Province) have decided to reduce their salaries as way of coping with the economic crisis.

While the adjustment seems to keep the provincial governments in check, Vice Interior Minister Alberto Iribarne emphasized: "The provinces that want to balance their accounts must consider a very substantial transformation program. Some provinces understand the meaning of Argentina's process of change, but other provinces do not believe stability has come to stay."

Bolivia

Self-Styled 'Moralization Command' in Armed Forces

PY3006010495 Cochabamba LOS TIEMPOS in Spanish 18 Jun 95 p A9

[Quotation marks as published]

[FBIS Translated Text] La Paz, 17 Jun (LOS TIEMPOS) — It was reported today (yesterday) that a self-styled "Military Moralization Command" recently appeared within the Armed Forces. It has accused the top military brass of "abusing power" and participating in acts of corruption that are detrimental to the military institutions.

Various reports circulating in La Paz note that the reappearance of the aforementioned "command" has been admitted by various Army, Navy, and Air Force NCO's following last weekend's incidents involving Armed Forces Commander in chief General Reynaldo Caceres, who beat a driver at the Miraflores Barracks parade ground.

Military sources indicated that the command reportedly follows the principles and ideological bases that have been pursued for more than a decade by the self-styled "revolutionary trend" of the Armed Forces under the name of "Red Hot" ["Vivo Rojo"].

The sources indicated that this military trend, which comprises Armed Forces NCO's, "will report to the nation, the government, and the people the illegal profits promoted by the military leadership and the acts of arrogance, abuses, and outrages against the rank and

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file under a campaign of disciplinary and institutional correctness."

Operation To Forcibly Eradicate Coca Detailed

PY3006040095 La Paz PRESENCIA in Spanish 25 Jun 95 p 6

[FBIS Translated Text] Official sources informed the press agency JATHA that the joint military-police operation "For Everyone's Sake" [Por el Bien de Todos], designed to eliminate illegal coca plantations in the Isiboro-Secure National Park, is ready and only awaiting the president's order for its implementation.

This operation, which will be carried out by members of the Bolivian police, Mobile Police Units for Rural Areas (UMOPAR), and the Army, will include eradication by force.

According to the information disclosed, the operation will be carried out by three groups of Army soldiers from the Cochabamba and Santa Cruz CITE [Special Forces Training Center].

The sources asserted that the operation "For Everyone's Sake" — whose existence was denied by military authorities a few weeks ago — is a "real" plan.

According to the sources, the operation will be conducted by FELCN [Special Antinarcotics Force] Commander General Simon Sejas Tordoya. Lieutenant Mercado will allegedly head the operation, and will reportedly work with UMOPAR Commander Colonel Luis Caballero in the zone. At the same time, each task force will have its own commander.

However, according to what some military commanders explained to JATHA, not all the military personnel are happy with Armed Forces participation in this operation because, according to the working plan, the Army will be subordinated to the decisions made by the police, more specifically, by the FELCN.

The source recalled that the Constitution establishes that in any form or type of conflict, the police must be subject to the Armed Forces.

They acknowledged that although the FELCN commander is an Armed Forces general, he, in his capacity as a retired officer, will not have the power to head this operation.

UMOPAR's main job will be to grant support and carry out confiscations, while the police will intervene should order be disrupted and common crimes committed. It will carry out investigations and arrests should it be necessary.

In the opinion of some members of the Armed Forces, the U.S. Government is exerting pressure for the Armed Forces to participate in this operation.

When Government Minister Carlos Sanchez Berzain was consulted about the alleged U.S. pressure, he responded: "The only real pressure we are facing is the need to fulfill the law. The Bolivian people must learn, once and for all, that in a democracy, we must abide by the law, and that this is not a form of pressure, but rather a need."

A useless attempt was made to learn the FELCN leadership's opinion on the subject.

The police, however, through Commander General Willy Arriaza, affirmed the decision to create the Ecological Police Force, to preserve the environment of the parks, and minimized the criticisms made by some peasant leaders.

Brazil

Cardoso: Argentina Could Be Excluded From Car Import Quota

PY0607024695 Sao Paulo AGENCIA ESTADO in Portuguese 2115 GMT 5 Jul 95

[Report by AE correspondent Aldo Renato Soares]

[FBIS Translated Text] Caracas, 5 Jul (AE) — President Fernando Henrique Cardoso admitted here today that Brazil may exclude Argentina from the car import quota system. Cardoso, who is scheduled to travel to Buenos Aires on 7 July to attend the inauguration of Argentine President Carlos Menem, stated that Argentine car exports to Brazil are not hurting the assembly plants based in Brazil. He said: "Because the value of these exports is not high, they do not affect the Brazilian auto industry."

Foreign Minister Luiz Felipe Lampreia has reported that a delegation led by Argentine Foreign Minister Guido Di Tella will be in Brasilia on 10-11 July to negotiate with the Brazilian officials a final solution to the auto trade system within the Common Market of the South (Mercosur). Lampreia's remarks support the idea that Brazil may set an exception in the case of Argentina, which would thus not be affected by any quota system for exporting cars to Brazil. Lampreia said: "There may not be quotas for Argentina."

The Brazilian Government promised to the Venezuelan Government that it would expedite talks with its Mercosur partners — Uruguay, Paraguay, and Argentina — to bring Venezuela closer to Mercosur. The most likely next step is for Venezuela to first sign a trade agreement

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with Mercosur, and then extend this agreement to the other member countries of the Andean Pact (Colombia, Peru, Ecuador, and Bolivia).

President Cardoso and Venezuelan President Rafael Caldera support the creation of a free trade area in the hemisphere. Cardoso noted, however, that the negotiations to expand Mercosur will take some time, because there are various economic interests at stake in each of the countries involved.

President's Closest Advisers Named, Viewed

PY0507184695 Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Jul 95 p 2

[Article by Sonia Carneiro]

[FBIS Translated Text] Brasilia — They do not participate in the cabinet nor in the second echelon, yet they continue to form part of the circle of advisers of President Fernando Henrique Cardoso. They are called the president's satellites [satellites] because they rotate around him supplying Planalto Palace with information even though they have been removed from central power.

They maintain a direct channel to the president and some of them give private advice; like Persio Arida, professor, economist, and former president of the Central Bank; and eminent PSDB [Brazilian Social Democracy Party] chiefs like former Senator Jose Richa; and Pimenta da Veiga, a former party president.

Sought after to become political coordinator and to work in Cardoso's cabinet, Jose Richa and Pimenta da Veiga became a type of thermometer of society for the government. Even though he is an experienced politician, Cardoso feels sad when old associates leave the government. Generally, the president stays out of the infighting. He maintains frequent contacts with technicians and politicians who have worked with him, consulting them about important matters. This is the case of former Deputies Euclides Scalco (PR) [Parana State] and Jutahy Junior (BA) [Bahia State]. Pimenta da Veiga is another example, he left the presidency of the PSDB after a clash with Communications Minister Sergio Motta. On 29 June Pimenta da Veiga lunched with the president, Dona Ruth Cardoso, and a group of friends in the Piantella Restaurant. A partner in an important lawyers office in the capital, Pimenta da Veiga prefers to use his influence in the corridors of power, thus enjoying the friendship and direct contact with the president.

Former Central Bank President Persio Arida is the closest satellite. Fired from that post due to disagreements over the privatization of Banespa [Sao Paulo State Bank] with Sao Paulo Governor Mario Covas and with the economic team itself for defending the total deindexation of the economy, Arida has a direct line with Cardoso and talks with him even more than the president talks with his rivals in government.

President's Decision on Concessions Contradicts Minister

PY0507135495 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Jun 95 p A6

[FBIS Translated Text] Brasilia — President Fernando Henrique Cardoso has imposed the first government defeat on Communications Minister Sergio Motta, who is also his personal friend. When called upon to decide on a conflict between Motta and Planning Minister Jose Serra over changing the text of the provisional measure on public service concessions, the president recommended that the allied leaders in Congress should accept the change which has been negotiated with the PDT [Democratic Labor Party] and the PPR [Progressive Renewal Party]. His recommendation contradicts the communications minister.

The dispute centered on the second clause of Article 1 of the draft bill. The original Planning Ministry text — which was endorsed by Motta — included telecommunications in the system of concessions as provided by law. But Serra agreed with the ruling leaders to negotiate with the PDT and the PPR to eliminate that clause from the final text. With that, Motta, who was not consulted on the agreement, was forced to send to Congress a specific draft bill to rule on the concession in that area.

"But that is not possible; I will be defeated," the minister protested to the allied leaders in the Chamber of Deputies. In view of the impasse, the leaders asked the Planalto Palace for help. One congressman who followed the entire conflict said: "The president authorized the elimination of text Motta wanted to keep."

Communications Minister 'Irritated'

PY0507161595 Sao Paulo GAZETA MERCANTIL in Portuguese 30 Jun 95 p A1

[Article by Eliane Cantanhede]

[FBIS Translated Text] Brasilia — Communications Minister Sergio Motta is irritated over negotiations between the government and the PDT [Democratic Labor Party] to exclude telecommunications from the new law on concessions which was approved by Congress on the night of 28 June. Motta demanded an explanation from President Fernando Henrique Cardoso — who supported the agreement — and even delayed for two hours a trip

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to Rio de Janeiro, awaiting a legal interpretation from the legal consultants of the Presidency and of his ministry, who met at Planalto Palace.

A high-ranking government source quoted those consultants as saying the last minute changes in the text of the law will not jeopardize the timetable of opening that area. The source said: "We have laid a trap for the PDT." PDT leader Miro Teixeira warned: "If anyone tries to change the agreement, we will demand an explanation from those who negotiated it, and we will go to the courts."

The agreement was submitted by the ruling government leaders in Congress and by Planning Minister Jose Serra, and ratified by the president of the Republic. Thus, there were two essential changes to the new law at the plenary session: direct reference to telecommunications was removed from Article 1; and reference to telecommunications was fully excluded from the concessions for privatizations provided for in Articles 26 and 27.

Under Article 26, companies will be able to divide, merge, incorporate, or transform companies, which will facilitate partial sales, for instance. Article 27 authorizes the system of auctions, while the federal government guarantees the power to previously set prices of the shares to be auctioned.

Malan Interviewed on Trade, Exchange Rate

PY0407002095 Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 Jun 95 p 12

[Interview with Finance Minister Pedro Sampaio Malan by JORNAL DO BRASIL reporters Sergio Leo and Cristiano Romero on 29 June; place not given]

[FBIS Translated Text] [JORNAL DO BRASIL] Exports are on the down slide, and according to some estimates the trade deficit in June will be $1 billion. Doesn't that undermine the implementation of the next phase of the Real Plan?

[Malan] I do not believe that anywhere in the world people keep an eye on the daily or weekly performance of the trade balance, inflation, monetary components, industrial production, or the gross domestic product (GDP) in order to reach conclusions and make very short-term predictions. I do not want to comment on deficits until the final results are on hand. We will turn the trade balance around in the second half of the year. It is not important to know how things will stand on 31 December 1995, because that is not the end of one game and the beginning of another.

[JORNAL DO BRASIL] Why are you so confident? Isn't the present situation, marked by falling exports and very high imports, worrisome?

[Malan] We do not yet have definitive information about our exports and their structure. Due to speculations about the exchange rate and changes in the exchange rate, exporters have been holding back the signing of their exchange contracts, waiting for things to be decided. Decisions were finally made. During my trips I have received several phone calls, letters, and telegrams from businessmen who told me that these decisions would do wonders to encourage exports.

[JORNAL DO BRASIL] They are hoping that the amendment of the exchange band has paved the way for further devaluation of the real...

[Malan] We will see about that. I believe that exports, which performed very well during the first five months of the year, will do the same for the rest of the year. As far as imports are concerned, I believe that recent growth rates do not have a solid foundation. Let us take the case of automobiles: There are thousands and thousands of cars in port (which customs has already released) that are not being sold. There is not enough cash around to keep imports growing. Car manufacturers have reduced this year's program of imports by 70 or 80 percent. That is the important thing, not these short-term hysterics.

[JORNAL DO BRASIL] Do you believe that it is still possible to turn around our foreign trade in 1995 and close the year with a surplus?

[Malan] It can happen. I believe that it is still possible.

[JORNAL DO BRASIL] Isn't it dangerous to mess around with the interest rates and the financial market, given that the economy has yet to absorb the full impact of recent exchange and foreign trade measures? Wouldn't it be better to wait for results?

[Malan] No. It takes time to start seeing results. Our next steps do not entail any surprises. I am aware of the expectations that crop up at the end of the year, at the end of every half year, every time there are speculations about what the administration will do next. There will be no radical changes. The general course of the process has been essentially the same since mid-1993.

[JORNAL DO BRASIL] All the economic experts who attended the seminar on the real agreed that the government cannot keep up its current rate of exchange without seriously hurting its foreign accounts by the end of the year. Do you have anything to say about this?

[Malan] We have already changed the exchange band from 0.88-0.93 reals to the U.S. dollar to 0.93-0.99 reals to the U.S. dollar, which I find appropriate at this time. We have to do several things at the same time to deal with the foreign exchange problem: We have to amend the exchange band as we have already done; we have

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to cool down the economy — the growth of imports is largely a symptom of an overheated economy, with sales growing by 20 or 30 percent, which creates an enormous demand for imports; and finally, our major challenge for the coming weeks, months, and years is to lower the Brazil cost [domestic cost of Brazilian products]. Many times in the past, Brazil has made nominal changes to its exchange rate, unleashing inflationary waves that rapidly ate up the resulting increased earnings, and one ended up in real terms in the same situation that prevailed before the inflation was unleashed.

[JORNAL DO BRASIL] This, however, will work only if the government indicates that it will gradually devaluate the real, right?

[Malan] Yes, that is why the ceiling of the exchange band has been modified from 0.91 to 0.99 reals to the U.S. dollar.

[JORNAL DO BRASIL] How would you describe the deindexation measures that will be implemented shortly?

[Malan] We must detach ourselves from this trait of indexing everything, which has been part of our culture for nearly 30 years. We are implementing a gradual process of economic deregulation. It is gradual, because despite the great success of our struggle against inflation, which has gone down from nearly 5,000 percent per year to approximately 31.5 percent, this rate is still high by international standards.

[JORNAL DO BRASIL] You have already announced that the government will keep the reference fiscal unit (UFIR), which is used to index federal taxes. Is this some sort of safety net?

[Malan] No. We used to have the daily UFIR, then we had the monthly UFIR, finally it became the quarterly UFIR, and now we will have a six-month UFIR. Eliminating the UFIR at this point could harm companies' accounting, and they could go to court to have the measure repealed.

[JORNAL DO BRASIL] Current short-term financial investments are incompatible with the new phase of the plan?

[Malan] No. We will attempt to gradually come up with longer-term financial investments proposals and pave the way for even longer terms.

[JORNAL DO BRAZIL] State administrations are taking steps to reduce the payments on their debts to the federal government. Are there fiscal problems?

[Malan] We have already conveyed our concern to the senators over two Senate resolutions and one bill. All of them seek to reduce from 11 percent to 9 percent the portion of the states' net income that is committed to the payment of debts with the federal government. They are proposing changing the concept of net income, and lumping other debts with the debt with the federal government, which was renegotiated for a long period in 1993. Together these three proposals will practically overturn everything that was achieved during the negotiations in 1993. Therefore, we do not like these proposals. The truth is that only eight states are paying 11 percent of their net income. When some governors say that they are committing more than 11 percent of their income to the payment of the debt, they are lumping together debts that were negotiated and others that were not. As each case is different, and the makeup of the debt also varies from state to state, we are holding talks with them to seek ways and means that would not require renegotiating the agreement that was reached in 1993.

Finance Ministry Releases Document on Real Plan

PY3006010695 Sao Paulo AGENCIA ESTADO in Portuguese 0001 GMT 29 Jun 95

[Report by Ribamar Oliveira]

[FBIS Translated Text] Brasilia, 28 Jun (AE) — The Finance Ministry issued a document that is addressed to the leaders of parties supporting the government in Congress saying that the executive branch does not expect a reduction of interest rates any time soon. "The gradual reduction of interest rates is conditioned upon the consolidation of signs indicating a cooling down of demand, a return of balanced trade conditions, and the consolidation of the fiscal adjustment plan," the document says.

The 25-page document, entitled "One Year of the Real," is dated 21 June 1995. The document makes an evaluation of the first year of the Real Plan. It was prepared by the Finance Ministry with the purpose of giving congressional supporters arguments to defend the stabilization program. The document defends the "government prerogative to adopt restrictive monetary policies based on high rates of compulsory bank deposits [at the Central Bank]."

In the document, the finance minister explains that one of the "advantages" of the system of high compulsory deposit rates is that it reduces "the capacity of the financial system to give credits" and increases the spread between interest rates on deposits (to savers) and the interest rate charged on financial operations (in loans), "making the implementation of a restrictive monetary policy possible without increasing the economy's basic interest rate."

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According to the Finance Ministry, interest rates depend on "the need to encourage savings and foreign investments and the need to control the expansion of domestic credits and aggregate demand." The government decision to raise interest rates resulted from "the imperative need to contain excessive demand and prevent the speculation in foreign exchange markets resulting from the raising of the foreign exchange bracket and the effects of the Mexican crisis."

The document says "it is wrong" to speak about recession in Brazil. "Economic indicators show, at the most, a reduced growth rate," the document says, explaining that "credit scarcity and private companies' recent financial difficulties are associated with the period of exaggerated credit facilities that predominated after the implementation of the real, not really to an interest rate policy." The problem is that "the reintroduction of credit mechanisms after the Real Plan was implemented provoked the appearance of many new agents who were not prepared to deal with credit or to evaluate risks."

The Finance Ministry concluded that "the interest rate policy is being blamed for events that occurred independently from it." Two charts presented with the document attempt to prove that "the exhaustion of the exaggerated cycle of indebtedness that started after the Real Plan was established provoked a serious rationing of credits."

Three items are presented as evidence in support of this argument: First, "registers show the delay in credit card payments increasing since the beginning of the Real Plan"; second, the evidence shows that "the percentage of bad checks compared to the total of issued checks started to increase in August 1994; and third, the number of entities that started bankruptcy proceedings began increasing in November 1994 and actual bankruptcies in January 1995." "Such events preceded the increase in interest rates that was implemented in March; therefore, recent government economic policies cannot be blamed for them."

The document insists on the need to continue implementing the program. "Any hesitation in implementing the necessary adjustments now will be extremely expensive, will risk what was achieved so far with the Real Plan, and will impose still greater sacrifices in the future." The defense of current policies is a clear need: "No matter how expensive fiscal and monetary adjustment measures might seem, this cost is small compared to the gigantic sacrifices produced by inflation, which hit the poorest groups of Brazilian society hardest."

Agenda To Consolidate Real Plan Established

PY0507175495 Sao Paulo GAZETA MERCANTIL in Portuguese 30 Jun 95 p A5

[Article by Claudia Safatle]

[FBIS Translated Text] Brasilia — The provisional deindexation measure is just another step to consolidate the Real Plan, although there is a whole set of problems ahead. A document prepared by the Finance Ministry to evaluate the first year of the Real Plan provides some important indications on the future agenda.

In the monetary policy aspect, despite exacerbated interest rates and the complex compulsory bank deposits system implemented in the recent past, the document points out the difficulties that prevail in affording the Central Bank instruments to "effectively control liquidity." They are: the need to adjust the state banks; the need to recover the standard liquidity control instruments; and the need to adjust tax incentives seeking to extend the profile of short and long term applications.

The document also points out "the precariousness" of the fiscal policy and the inability to maintain the current fiscal policy for the next few years. During the first half of this year the federal government was able to produce a primary surplus of 5.9 billion reals, basically because of the postponement of the payment of 70 percent of the April salaries.

Beside the "fiscal fragility," other problems surfaced during the first year of the new currency, especially the excessive increase in imports and the over-valuation of the real compared with the dollar, which forced the implementation of the exchange band in June. The Finance Ministry assumes, based on data provided by Funcex [Central Foundation for Foreign Trade Studies], that the appraisal of the real exchange rate in the post-stabilization plan period between July 1994 and April 1995 would have been reduced to 12.1 percent in the case of the basket of 13 currencies, to 8.1 percent considering the basket of European currencies, and to 14.5 percent in relation to the dollar.

The Finance Ministry evaluation shows that the measures adopted during this first semester indicate that "the critical foreign trade situation has been reversed," that the evaluation of inflation is "favorable," and that there are signs of a "cooling off" of the economy. The document concludes by stating that "persistence" in the plan must prevail. Regardless of how burdensome the government measures to maintain the fiscal and monetary policies may be, their cost seems to be small compared with the tremendous inflation sacrifices which overwhelmingly fell upon the poorest sectors," the text says. [no opening quotation marks as published]

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Chile

Finance Minister on Need for Fast Track To Join NAFTA

PY0507135295 Madrid EFE in Spanish 0223 GMT 5 Jul 95

[FBIS Translated Text] Santiago, 4 Jul (EFE) — Finance Minister Eduardo Aninat today reiterated that Chile believes the U.S. Congress should approve a fast track to join NAFTA.

Aninat noted the importance of a letter by two U.S. legislators to which U.S. Trade Representative Mickey Kantor referred during the recent meeting in Denver.

In the letter the U.S. legislators propose to the White House a joint formula to approve a specific "fast track" for Chile's entry to NAFTA, which comprises Canada, the United States, and Mexico.

Aninat said the most important point in all these negotiations is to make progress and conquer new markets and thus consolidate the second phase of Chile's export plan.

The minister explained: "Chile's sole interest in joining treaties like NAFTA is that they directly benefit the Chilean people, specifically to improve employment and salaries level."

Sara Larrain, coordinator of the environmentalist organization "Renace" said: "It is irritating to see how the Chilean Government sells an image to the United States that is far from real." She explained that during the Denver meeting, Chilean representatives said: "In our country the environment is really preserved with a great participation of the people and a magnificent labor code," which, she said, "is a fallacy."

Agreement On Gas Sales to Argentine Being Polished

PY3006231495 Santiago ESTRATEGIA in Spanish 16 Jun 95 p 15

[FBIS Translated Text] A few days before the Comptroller General's Office discloses the gas regulations, authorities continue to prepare the field for marketing this product.

During a meeting early this week of the Administrative Council of the Economic Cooperation Agreement between Chile and Argentina (ACE), experts of the CNE [National Energy Council] and of the Hydrocarbons Under Secretary, respectively, fully agreed to an amendment to the Gas Integration Protocol between the two countries.

CNE Executive Secretary Maria Isabel Gonzalez, who attended the meeting in Buenos Aires, said a definite and negotiated agreement regarding pending issues was reached. She added that the respective foreign ministers should now sign the pertinent documents.

One of the amendments eliminates the restriction of 5 million cubic meters per day of gas that one country could export to the other. As of now the volume will depend on the available reserves and the agreements reached by the exporter and importers.

It was decided that the involved companies and the Argentine Government must guarantee means of transportation and the necessary reserves to supply the markets of the two countries. To fulfill this goal, gas reserves will be monitored by Argentine authorities.

The clause restricting the origin of the gas exported from Argentina (from the Neuquen basin) to Chile has been eliminated. The gas may thus come from any Argentine zone.

Regulations regarding safety measures and the granting of concessions are still being negotiated at the Comptroller General's Office although they are supposed to be disclosed shortly.

Reliable sources said a group of lawyers examining the documents have already finished a report that may soon be sent to the comptroller general of the Republic, who will decide if a new report is necessary and whether the decrees are correct or need to be amended, which would have to be done by the government.

Gen. Pinochet Denies Crisis Involving Army, Government

PY0607031895 Santiago EL MERCURIO in Spanish 27 Jun 95 p C2

[FBIS Translated Excerpt] Captain General Augusto Pinochet Ugarte, the Army commander in chief, has denied the existence of a crisis between the Army and the government following the recent ruling on the Letelier case.

Pinochet said simply: "There has never been a crisis."

Pinochet made these remarks yesterday afternoon as he was attending the opening of an art exhibit at the National Culture Foundation gallery. The National Culture Foundation is headed by his eldest daughter, Lucia Pinochet Hiriart. [passage omitted]

Pinochet was asked by the media covering the art exhibit if the Army "was in good health" now. He responded that it is in good health, that it is very well. He emphasized: "It was never ill, just limping; it had a stretched tendon."

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Pinochet refused to voice an opinion about the security existing at the Punta Teuco penitentiary in Tiltil. He explained that it would not be appropriate for him to review the issue.

Before leaving the art gallery, Pinochet noted: "That information is confidential, and that is why I am not answering journalists."

Government Position on Media Subsidies

PY0507191495 Santiago EL MERCURIO in Spanish 1 Jul 95 p C2

[FBIS Translated Text] Minister Government Secretary General Jose Joaquin Brunner has expressed his opposition to the enforcement of special measures to avoid the concentration of media ownership.

Brunner said this is regulated by the Anti-Monopolies Committee.

He added that the government does not support the idea of subsidizing the media at the regional level as some have suggested in the Press Law bill because it can result in the manipulation of freedom of the press.

The Press Law bill that is being studied in Congress basically broaches four issues: Freedom of expression; the media at the regional level and its promotion; pluralism of the information market and ownership of the media; and ethics in journalism.

Media Ownership

Brunner stated that suggestions in Congress about pluralism and media ownership are not in line with what is proposed in the bill submitted to Congress which specifies that this control should be exercised by the Anti-Monopolies Committee.

Brunner believes these suggestions are heading in another direction which, in European legislation, is called "control of dominant market positions." In practice, this establishes maximum market participation quotas for the media.

He said: "I believe the adoption of such measures have been disappointing in Europe, that is, they have had no effect because they have neither avoided a concentration of media ownership, nor avoided a concentration of multimedia ownership, nor promoted multimedia integration."

Brunner added that in general these are very arbitrary measures because they force authorities and legislators to specify the market quota participation percentage, which in the end, only distorts competition among the different media.

He said: "It is not that we want the media to be regulated by the market but, like any industry, the communications industry operates on the basis of a market system as established not only in Chilean Constitution and legislation but also in our social and economic structure."

Brunner said there are two overall ways to broach the issue of ownership concentration and the establishment of anti-monopoly market control mechanisms.

He said: We all wish to avoid excessive concentrations and eliminate all possibilities of establishing anti-monopoly controls on the media market, or any other market. There are two ways to do this. Either by tackling the problem through anti-monopoly committees, which in Chile have good experience even regarding so-called "dominant market positions" in view of the existence of anti- monopoly regulations in other economic areas; or by approving legislation that establishes system quotas for the participation of the different media and that limit their participation beyond a certain market percentage.

Brunner said: "I believe that in addition to being too arbitrary and burdensome, the second alternative has proven to be ineffective wherever it has been implemented. The first alternative — the establishment of anti-monopoly committees — has great potential virtues whenever people resort to the use of anti-monopoly measures encompassed in Chilean legislation."

Regional Media

Brunner said the regional media issue will probably be rejected because it promotes a special economic regulation for regional media through the establishment of several development, and direct subsidy and tax exemption measures.

He explained that all these measures are substantially different from Chilean economic regulations. He said the implementation of such regulations would be tantamount to establishing a special discriminatory regulation for an economic sub sector, that is the media industry and another sub-division, the regional media.

Brunner said the government does not generally support the idea of direct subsidies for the regional media because it distorts the operation of the economy and creates an alleged protection of the media industry at the expense of undermining it in the medium and long term and of allowing inadmissible intervention of the state which may lead to a manipulation of the freedom of the press.

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Freedom of Information

Regarding the freedom of the press, Brunner said he believes it is necessary to expand the current discussion because the UN Human Rights Declaration and in the European Human Rights Declaration establish that, in a democracy, the freedom of the press encompasses the freedom to seek information, the freedom to disseminate the information obtained, and the freedom to be informed.

He explained that what some call "the right to information" is a kind of logical correlation included in the freedom of information. He said: "In principle, I see no need to make an issue out of this. It suffices to specify that freedom of information encompasses the freedom to seek, disseminate, and receive information."

He said it is one thing to establish a completely different policy to the one upheld by most democratic constitutions of Western countries which seek to implement an overall information policy based not so much on the promotion of freedom of speech and opinion, as is established in the bill, but on the conjecture that freedom to have access to information is based on the right to know; the right to participate in political affairs, and the right to an education.

Therefore, this different policy would require a law to establish that it is mandatory to deliver proper information. This implies establishing guidelines to rule the intervention of the state in the information system to ensure that each individual, sector, or social group has access to a specific quantity of information with a specific quality which must be guaranteed by the state.

Brunner said: "I do not support this second formula because if it has not been included in any of the constitutions of Western countries it is precisely because such a formula would end the principle of freedom of expression as it is currently conceived and because it would mean the establishment of multiple state control regulations to safeguard the right of individuals and social groups to express themselves and to have access to a specific quality of information."

Ethics

Brunner said the subject of ethics must be debated further at the legislative level.

He added that he believes the most suitable ethics for the communications field, in keeping with an overall liberal view, is that of self-imposed ethics without trying to impart legislation on ethical affairs by creating obligations of a moral nature through the law. He said that in so doing we restrict the self-imposed responsibility of the media on the content and quality of the information they disseminate.

Colombia

National Police Director on U.S. Drug Struggle

PA0607033595 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 6 Jul 95

[Interview with General Rosso Jose Serrano, director of the National Police, by announcer Paula Jaramillo at Serrano's Santa Fe de Bogota office; from the "24 Hours Newscast" — live]

[FBIS Translated Text] [Jaramillo] We have contacted National Police Director General Rosso Jose Serrano.

[Jaramillo] Good evening, General. What was the most important aspect of last night's operation?

[Serrano] I think the most important thing is that we captured the most dangerous individual of the Cali Cartel.

[Jaramillo] Four men from the Cali Cartel are now in jail. What do you think of the U.S. drug struggle?

[Serrano] These are two very different struggles. Consumer countries must make greater efforts to reduce consumption. We continue struggling to neutralize production.

[Jaramillo] How do you compare the U.S. drug struggle with our country's struggle?

[Serrano] There are probably not that many drug kingpins over there as we have here. Over there, when people reach a certain level of wealth, they stop. Here, people also want to have more.

[Jarmillo] Who are your guardian angels?

[Serrano] Everyone.

[Jaramillo] Do you have many?

[Serrano] All of the angels. I think that one must have an entire battalion for this type of action.

[Jarmillo] Thank you very much for your statements.

Prosecutor To Use U.S. Evidence Against Santacruz Londono

PA0607023095 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 6 Jul 95

[Report by Darcy Queen from the "24 Hours Newscast"]

[FBIS Translated Text] Colombian Prosecutor General Alfonso Valdivieso today said the Prosecutor General's

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Office will use all of the evidence it has received from the United States in the case against Jose Santacruz.

[Begin Valdivieso recording] Regarding the evidence, we hope to use not only the evidence submitted by the United States, but also the evidence we have obtained here in Colombia. This will help us further the investigation. [end recording]

He also said the Prosecutor's Office is working in compliance with the law to ensure that Colombia's drug traffickers do not keep assets garnered from criminal activities.

[Begin Valdivieso recording] I believe we will do everything we can to seize those assets, just as Article 34 of the Constitution stipulates regarding the annulment of ownership rights or [words indistinct]. In any case, the assets must not remain in the hands of the criminals themselves. Of course, to do this, we must prove the charges in court, not simply assert them. [end recording]

These statements were made by the prosecutor general at his debut before the Supreme Court. The court demanded his presence — it did not allow him to send a representative — to act on behalf of the prosecution in the public hearings. This, undoubtably, is yet another task for the already very busy prosecutor general.

Samper Remarks on Arrest of Cartel's Santacruz

PA0507162795 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 5 Jul 95

[Telephone interview with President Ernesto Samper Pizano, place not given, by Dario Arizmendi, Diana Montoya, Judith Sarmiento, and an unidentified reporter in the network's studios in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] Good morning, Mr. President.

[Samper] Good morning, Dario.

[Arizmendi] Are you satisfied with the blow the National Police dealt yesterday?

[Samper] Very happy, because it serves to reiterate the policy we have been implementing; that is, that the important thing is the definitive dismantling of the Cali Cartel. By doing so, we can believe Colombia is overcoming the nightmare of drug trafficking for good.

[Arizmendi] The National Police director, General Rosso Jose Serrano, told us a few minutes ago that he had advised you at 1700 yesterday about the possibility that this good news for you, the country, and the government would come.

[Samper] Correct. During the meeting we held with the top military command, General Serrano assured me he would have good news for me at night. I believed him, because he has already given.... [pauses] the first signals. To be certain, I was awaiting the news that was eventually confirmed.

[Arizmendi] What do you expect henceforth regarding the cases of drug bosses Miguel Rodriguez Orejuela, Phanor Arizabaleta, and (?Pacho Herrera)?

[Samper] The logical result of the government's actions in pursuit of them must be either their arrest or surrender. Either way, the government is prepared to guarantee them a fair trial and a safe prison so they can pay their debt to society.

[Arizmendi] Now that Miguel Rodriguez Orejuela and Jose Santacruz Londono have been captured and that the other top two Cali Cartel bosses are under arrest, are you shutting the mouth of the U.S. Government and your critics?

[Samper] I would not use an expression as graphic as that one [chuckles], but I do believe the international community and, mainly, the U.S. public are now convinced the Colombian Government is clearly committed to fighting drug trafficking. We are not asserting this point in order to get a good grade, as a hardworking student, but so that the drug consuming countries perform their own task in turn; that is, to reduce drug abuse or the sale of chemical precursors or to fight money laundering. That is what we are expecting from the international community. We do not want them to hail us for something we are doing and will continue to do, not because we are asked to from abroad but, rather, because we are convinced the problem of drug trafficking for Colombia involves national security and is an ethical demand for the sake of Colombia's youths, and in addition because we believe each one must do his share.

[Arizmendi] Has the U.S. ambassador to Colombia contacted you following the capture of Jose Santacruz London?

[Samper] Yes. He called me to convey his government's satisfaction over this development.

[Arizmendi] Are the DEA, the CIA, and FBI still cooperating intensely with the Colombian Government?

[Samper] We have an ongoing cooperation, but, without ignoring their support, primarily on intelligence matters, I am extremely pleased the operations that have led to the capture of these people were conducted by the Colombian National Police.

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[Arizmendi] Rosso Jose Serrano is perhaps the most prominent general in the struggle against drug trafficking.

[Samper] I believe he is a valuable individual in this struggle. He has played an important leadership role, but I believe this is basically a teamwork. It seems to me that we must express recognition, first of all, of the defense minister, who coordinated these actions, the agencies that supported him, such as the DAS, Administrative Department of Security, and the Office of the Prosecutor General of the Republic, which provided guidance and followed up with the legal issues of the process.

[Arizmendi] Mr. President, on this matter, Diana Montoya, at Caracol's International Information Center in Miami, would like to ask you the following question. Go ahead, Diana.

[Montoya] Good morning, Mr. President. My question pertains to specific recommendations that you made to the international community through an article in THE WALL STREET JOURNAL. It is an article on which we commented last week. In this article, you call for the creation of a judicial cooperation forum and a large summit. You made exact requests. Has there been any response on this matter? Has anyone told you he or she agrees with what you said? What will be the reaction to that about which you wrote in THE WALL STREET JOURNAL?

[Samper] There have been many letters addressed to Narino Palace requesting additional information on the proposals made in that article. Requests for explanations of certain terms have been made. I do not know whether you know that the world's drug czar is visiting Colombia; he is Giorgio Giacomelli. He is on an official visit to Colombia. He will meet with me tomorrow. It seems he is quite interested in discussing the viewpoints expressed in the article.

[Arizmendi] The will to put the Cali Cartel leaders behind bars is quite obvious. What was happening before, Mr. President?

[Samper] The strategy was radically changed this year. I am personally meeting with those responsible for the struggle against drug trafficking almost every week to assess results. We meet not only to discuss issues linked to the dismantling of the Cali Cartel but other important matters, such as the struggle against illegal crops, the intersection of aircraft, and the control over the laundering of assets. As I stated in my 7 February speech, this matter is a comprehensive one. We cannot make the mistake of abandoning the illegal crops problem because we are busy persecuting the cartel leaders. This task is a comprehensive one, and I hope we can make substantial progress in the next few years in order to tell Colombia that it is free of this nightmare.

[Sarmiento] Regarding an alleged constant impression that we are passing a test given by the United States, as certain sectors claim, how do you feel when you see a caricature such as that which appears in today's issue of EL ESPECTADOR in which you appear as a child sitting on the lap of U.S. Ambassador Myles Frechette, saying [words indistinct]?

[Samper] Well, I think those are things.... [pauses] As its name indicates, it is a caricature. Besides, caricatures do not bother me. I think they are fun. They show a side that is not shown in reports. The truth is Colombia has proven in recent months—I am pleased to say this remark not in my capacity as president but as a Colombian—that we can handle the problems we have without any pressures. We are acting as such not because anyone is telling us to but because we are aware of their seriousness. To me, this is what is important for the country and Colombians.

[Arizmendi] Regarding the expression: I am in charge, an expression that has begun to catch on, is it your own?

[Samper] Yes. When I was preparing the speech for the 60th anniversary of the Naval Academy, I tried to sum up, clearly and categorically, for all Colombians what I meant when I said that the president has the constitutional obligation to maintain public order and that the objectives of the search for peace was also a constitutional duty. Thus, it occurred to me to say those three words in order to try to sum up what it all meant. In fact, Giacomelli agreed with me.

[Arizmendi] To what extent is the president determined to apply that expression 100 percent?

[Samper] I do not believe it is a matter of determination but, rather, one of commitment and constitutional obligation. Colombia's Constitution grants the president a series of duties that become obligations. I am obligated to find peace, to preserve public order, to seek economic stability, and to reach social goals. I will spare no legal power to do all that.

[Arizmendi] Why did you recall Defense Minister Fernando Botero from his vacation?

[Samper] Because I thought the situation that was unfolding due to the leak of this news from the Defense Ministry [words indistinct] memorandum merited his handling the military situation internally, as he did, in fact, and did very well.

[Arizmendi] Were you fully pleased with how this controversy was settled?

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[Samper] Yes, because aside from the incidental discussions or what we could call accidents [accidentes] of this discussion, it became clear that the president has the authority to guide these types of processes, that the loyalty of the Armed Forces to the government's policies was clearly established, and that the country was advised there is someone at the helm.

[Arizmendi] Should you decide to partially demilitarize La Uribe, will you do so in writing?

[Samper] That is an issue about which I have not thought. What I can tell you is that if La Uribe must be cleared in order to negotiate, we will do so.

[Arizmendi] And will you order this in writing, Mr. President?

[Samper] I have not thought about this option. I would do so if it were logistically important.

[Arizmendi] You would not negotiate absolute demilitarization; that is, you would insist on the theory you presented on subversion that a nonoffensive (?force) be concentrated in the capital of La Uribe?

[Samper] Yes, I believe this is the basis for the development of my Bucaramanga proposal the high commissioner has presented to the defense minister; that is, the municipal capital would be demilitarized under no circumstances.

[Arizmendi] Mr. President, you (?were probably) aware of the Bedoya memorandum the defense minister received on 22 June.

[Samper] The truth is that the serious thing about the memorandum was not its content, because many of those memorandums are circulated on a daily basis. The problem was perhaps the leak and how it occurred. I believe these types of technical and military opinions contained in many [words indistinct] restricted circulation. The important issue here is that they be restricted.

[Arizmendi] It has been said it was actually leaked because there are individuals (?within) the military establishment interested in making known their thoughts about demilitarization.

[Samper] I do not have enough information to comment on that rumor.

[Arizmendi] What will your government do once it identifies the individual or individuals responsible for leaking the Bedoya memorandum?

[Samper] One must never saddle a horse before mounting it. Let us wait and see how the investigation, which I have asked the defense minister to start yesterday, unfolds.

[Arizmendi] Mr. President, the defense minister insisted yesterday that the government will not yield anymore, adding that the guerrillas must demonstrate a willingness in order to continue this peace process. What is your assessment about this matter?

[Samper] That is in keeping with the government's official position. We are concerned, almost frightened, by the intensification of guerrilla actions at a time when the government is being more explicit about a possible political solution to the armed conflict. By no means whatsoever will I allow anyone to say that this is the way to pressure the government, that this is unacceptable for the government, and it has obviously rejected this intimidation.

[Arizmendi] Isn't this a policy change, given the high commissioner for peace and you had decided to negotiate amid the conflict?

[Samper] We obviously know that peace is aimed at ending war, but intensifying war to pressure a negotiation is a macabre contradiction in our opinion.

[Sarmiento] Mr. President, the bishops spoke out yesterday and conveyed to you their concern over the existence of a double path in the search for peace. You replied that anyone who leaves or moves will not appear in the picture of peace. Are you certain no one in your government is moving out of the picture of peace?

[Samper] I believe this issue is the one that was most clearly established yesterday; that is, that there is a single line in the government, that this line is drawn by the president of the Republic. Of course, each person must play a different role.

The high commissioner for peace, the defense minister, the government minister, and social area ministers who are also members of the peace strategy must all play a particular role, but the truth is there is one single guideline clearly contained in the inaugural address I gave on 7 August. We have been working along those lines.

If you analyze the process and evolution of the same during my administration, you will realize we are going through stages. We have devised different scenarios, and each and every step we have taken has been made in a coordinated manner. We have not made any statement without first holding a meeting in which military high command members and political officials of my administration have been present.

[Arizmendi] Have relations or talks with the ELN [National Army of Liberation] been severed?

[Samper] There is an open channel at this moment. A proposal has been made on the possible negotiation of

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the agenda. They have stated their interest to speak about the humanization of the war. This matter is advancing.

[Arizmendi] What is the validity of the document that councilmen who had been held in San Vicente del Caguan by the FARC [Revolutionary Armed Forces of Colombia] have forwarded to you?

[Samper] That document is being analyzed by the high commissioner for peace.

[Arizmendi] Since we spoke a few minutes ago about the ministers of God, let us now speak about your ministers. When will the crisis occur?

[Samper] I have not asked that question myself.

[Arizmendi] Will it occur after the Liberal Party Convention?

[Samper] You will know when it happens.

General Reportedly Disagrees Over Demilitarizing La Uribe

PA0307040195 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 3 Jul 95

[From the "AM/PM Newscast"]

[FBIS Translated Text] The latest issue of SEMANA magazine discloses the text of a confidential document in which the military condition their withdrawal from La Uribe on receiving a written order from the president of the republic.

According to SEMANA magazine, Army Commander General Harold Bedoya Pizarro, backed by the commanders of the four divisions, told the president that he will not accept a verbal order to demilitarize La Uribe. This is in reply to President Samper's intention to have the troops draw back to the municipal seat.

A confidential memorandum dated 22 June 1995 and sent by regular means, in this case by the commander in charge at the time, according to SEMANA, says:

First, the generals propose that troops not only remain in the municipal seat, but in a third of the municipality's territory.

Second, they suggest that if the government is going to order them to demilitarize La Uribe's urban area, that it do so in writing, in case this order turns out to be illegal or unconstitutional, and thus clarify responsibilities.

Third, the generals recall that military orders are primarily intended to defend values that maintain discipline, honor, and trust in the hierarchy; thus any order that goes against these precepts, they say, would be illegal.

It is good to remember that, for the Army, La Uribe means the greatest military, moral, and psychological victory over the past few years in its struggle against subversion.

The "AM/PM Newscast" looked up Gen. Harold Bedoya at his residence, but he refused to comment on the confidential memorandum.

Today in Cartagena, the president of the republic and the Army commander general referred to this same topic.

[Begin recording] [President Ernesto Samper] It has always been said that we are going to demilitarize La Uribe, except the municipal seat. This has been clear all along.

[Bedoya] This particular order was issued by the president of the republic, and it is up to him and the peace commissioner to sort out any affairs dealing with peace.

[Unidentified reporter] But if the president issues a verbal order, will it be obeyed?

[Bedoya] No doubt whatsoever; the president doubtless knows what to order. I cannot give an opinion based on a hypothesis. The president has not yet ordered anything at all dealing with this. [end recording]

Ecuador

Jaime Nebot Views Reforms, Labor, Border Issue

95SM0384A Quito EL COMERCIO in Spanish 29 May 95 p A7

[Interview with PSC presidential candidate Jaime Nebot Saadi in Quito; date not given; first paragraph is EL COMERCIO introduction]

[FBIS Translated Text] The PSC [Social Christian Party] candidate says that neoliberalism is anachronistic; he proposes that the state operate like a business and that workers become capitalists. He considers the referendum a suitable way of deciding on modernization, and also for resolving the border dispute.

His operations center in Quito is on the 19th floor of the Hotel Colon; when he is in Quito—about 5 days a month—he stays in the comfortable "presidential suite." Jaime Nebot Saadi appears sure of himself, and his language is direct. He issues rapid-fire orders on itinerary changes. Outside, some of his supporters wait while he discusses his campaign plans.

He says the polls do not keep him from sleeping. And he firmly believes in his strategy: to visit all the cantons in the nation to find out their needs, and to talk with the people. "I have been campaigning for the past five

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years...people who say the country has 21 provinces are not exactly right: there are 193 cantons to visit."

At times in the conversation he drops his studied composure. But he conveys the impression of having gained experience and knowledge.

[EL COMERCIO] Is the PSC forcing things so that if you are elected you will control the major privatizations?

[Nebot] Not at all. We favor neither immobility nor violent change. Here are some clear examples: We do not support a Social Security system like the present one. Nor do we want to dismantle the state.

[EL COMERCIO] Then what do you support?

[Nebot] A philosophy with a state that will keep a majority of shares in the new corporations, and thus the ownership of these inalienable resources, and which will benefit in the future from the rising value of these shares. That must be combined with private enterprise which invests transparently and competitively, and not only offers the user efficient management and better service, but also provides funds for the nation. That system will work in conjunction with workers who are in the process of becoming capitalists, as is now happening in many South American countries. Under the state-worker-private enterprise-user plan, modernization would then be a transition with efficiency and solidarity for the good of the nation.

[EL COMERCIO] The PSC has been accused of playing a political game, meaning that it will benefit in the future from the possible privatization of Emetel [State Telecommunications Enterprise] and of the IESS [Ecuadoran Social Security Institute].

[Nebot] We do not want to delay the modernization process, we want to speed it up, but as we think it should be done. My party is playing by the rules. We do not want to privatize or make Social Security disappear, or to lay off workers, but we do not like the present situation. Social Security must compete with other plans under certain regulations, by selling unproductive assets and poor-quality holdings in shares and fiduciary papers and collecting from the state, though this is not going to happen overnight. The day when that pool of money goes into the financial system, the worker will be able to watch interest rates rise in his savings passbook or his checking account. The principle of solidarity is retained; Campesino Security is not only being maintained but it is being treated the same as Social Security for city dwellers. But the worker has freedom to select which service he wishes to join.

[EL COMERCIO] If modernization is desired, would it not have been easier to work out political agreements?

[Nebot] To get 52 votes, as if that were the ultimate goal, I can not join forces with people who do not want to change anything or with those who want change, but only in their own way. If we do not get those 52 votes, the Ecuadoran people will be asked directly whether or not they want these changes, that is my view. And if I am president, on the first day of my administration I will begin constitutional proceedings to conduct a popular referendum on these questions, so the people can decide and not 55, 75, or 99 guys in Congress. I can not give in to immobilism or to a neoliberal economy that has not been successful anywhere in the world. Ecuador cannot continue to hold on to these old ways: when the world stopped being communist, we began; when it stopped being neoliberal, we continued being neoliberal. We have always lagged behind history. For the first time we are applying clear and concrete solutions on a national level. That is the Social Christian thesis, with the added clarification that we are not inventing anything.

[EL COMERCIO] In countries where AFPs [Administrators of Private Funds] are used, we see that the people with the least resources are gradually being left outside the system...

[Nebot] The man who invented the AFPs, Jose Pinera, says clearly that the workers' money, either through a state or private insurance system, goes into the financial system and becomes domestic savings, producing business and profits, and the profits produce more jobs and better salaries. But the goal of my proposal is not to generate more business, but instead, agreeing with Pinera's idea, so that by using the workers' money they will have a better retirement pension, better benefits, and health care. And if, as a consequence, financial business is generated, that is good for the country. But the present government is not interested in the principle of solidarity, and in my proposal there is solidarity.

[EL COMERCIO] How long have the Social Christians held this view?

[Nebot] Forever. When we split from Duran Ballen and Dahik, the country perceived that as an electoral battle, but it was a difference over essentials. People change and grow. The socialism of Felipe Gonzalez or of Mitterrand is not the same as it was 20 years ago. We too at a given moment had a definite idea about efficiency, but now we know that efficiency and solidarity are not divorced. It is not solely a difference of essence that distinguishes us from a government which does not hold those views.

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[EL COMERCIO] Have you made efforts to detach yourself from Sixto?

[Nebot] I am making no effort, for he is not proposing anything.

[EL COMERCIO] Are efforts being made to distance yourself from the government of Leon Febres Cordero?

[Nebot] The Febres Cordero of 1995 is not the same as he was in 1984; he has developed sensitivity from traveling and from seeing and touching poverty, which possibly he did not have to the same degree that I did in 1984—but others have not changed. Some of us have been changing and growing toward thinking that the market may exist, but it will definitely be a people-oriented market, and there are others who have stayed behind. Of course, Febres Cordero is different today from what he was in the past, and so am I, there is no doubt about it.

[EL COMERCIO] Do you want to shed your image as the authoritarian governor of Guayas?

[Nebot] No, that is something else: it is one thing to be authoritarian and another to be energetic. I would like people to tell me who died, who disappeared under the government in Guayas. There were no strikes, in Guayaquil there was order and there was respect. I cannot accept responsibility for events that might have happened, if they did indeed happen. I know the accusations, I hope they are not true, but if so, I was unaware of them; I really believe they did not happen in my province.

[EL COMERCIO] What is going to happen to unions in big companies?

[Nebot] Nothing. Let us start with the example of Emetel. Greta Hoyos is the top union leader. Ask her what she thinks of the PSC law, ask her about the deal worked out in her office with the attorney Nebot, whether or not she, as the workers' leader, is prepared to invest in 10 percent of the company. You will find that people are not being laid off, that the unions themselves, without losing their status as unions, are becoming stockholders. We are interested in that law because it is a pilot plan. It would serve as an example that the state, private enterprise, users, and workers can get along, and in this case they support the law.

[EL COMERCIO] How do you conceive the union movement in the future?

[Nebot] I support public and private trade unionism, but it must be made clear that I do not support excesses.

[EL COMERCIO] What do you consider excess?

[Nebot] Not following the procedures which the law establishes; for example, for conducting a labor action.

[EL COMERCIO] How would your support for the union movement be expressed if you were elected?

[Nebot] I have a suggestion: that public service strikes be the consequence of a court order or a transaction that is not complied with by management. This means that when there is a conflict, for example, if the employees of the Isidro Ayora Maternity Clinic file a petition against the state and win. If the state does not comply with that ruling, a strike with the occupation of facilities is the only way to demand their rights. But if the state does not violate the ruling, why should there be a strike?

[EL COMERCIO] Let us take the case of the indigenous peoples. They used force because no attention was paid to them, and only after that have they begun to be treated as legitimate representatives...

[Nebot] Why sit in the Palace of Government and wait for the indigenous peoples to come to town from their provinces to take over Quito? It is easier for the president to talk with the indigenous peoples. But I am not saying that because that did not happen, the indigenous peoples have the right to cause destruction. The president must do his duty and if not, the indigneous peoples have the right to take legal action, in accordance with the Constitution.

[EL COMERCIO] What priority does bilingual education have for the PSC?

[Nebot] Absolute.

[EL COMERCIO] And multinationality?

[Nebot] This is a multiethnic and multicultural country, but we are not multinational, because Ecuador is one. There is a single nation.

[EL COMERCIO] How do you view your relationship with the business community?

[Nebot] With ethical businessmen, very good; with unethical businessmen, bad.

[EL COMERCIO] What is the difference?

[Nebot] One group wants to devour the state and the country, and the other wants to use legal means to win. The unethical businessmen will not get anywhere with me. I am not dependent on them or in their pocket in any way. Nor can I be influenced by those circles of power.

[EL COMERCIO] How would you control unethical businessmen?

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[Nebot] They would have to comply with the laws the state considers appropriate.

[EL COMERCIO] What specific formulas do you have for settling the territorial issue?

[Nebot] I have been quite clear on this: we want a lasting and honorable peace, which is defined by closing the borders, but we are also demanding a sovereign presence in the Amazon.

[EL COMERCIO] A symbolic claim?

[Nebot] Claims are not symbolic, and this is not truly a claim, but a matter of law, of the nation's tradition and history. We want those two things. They can be achieved at the negotiating table either directly or through a third party. When the proposal has been drafted, I favor allowing the Ecuadoran people to decide. I am not saying the people should state their opinion now; but that it be handled as has been done in many countries, including the famous papal arbitration between Argentina and Chile.

Ecuador has two options: either to live with its problem with dignity without ever losing an active hope of a solution; or to back down.

[EL COMERCIO] And which option do you support?

[Nebot] Never backing down.

[EL COMERCIO] Do you exclude the possibility that the current president may reach a settlement without needing to call a referendum?

[Nebot] If the president works out a settlement and the people are in favor of it, there is no need for a referendum. Everything depends on what type of settlement it is; and the first problem he has is getting Fujimori to talk with him. Fujimori's position is unworthy of a statesman.

I cannot tell the president what he should do; on the contrary, if he continues to act as he has until now, he has the unconditional support of the Social Christian Party.

[EL COMERCIO] If you are elected, would you like this issue to be already resolved?

[Nebot] It is not that I would like it, but the people would like it, and I hope that will happen. But it is not up to me, nor does it depend solely on the president.

[EL COMERCIO] But you would like that to happen?

[Nebot] Of course I would.

Contradictory Proposals for Emetel Privatization

95SM0384B Guayaquil EL UNIVERSO "SUNDAY" Section in Spanish 11 Jun 95 p 3

[Unattributed article]

[FBIS Translated Text] Quito — Executives of Emetel [Ecuadoran Telecommunications Enterprise] advocate rapid privatization of the company; directors of the Office of Telecommunications say that the Telecommunications Law reform bill would allow rates to be set that would not allow technical upgrading; and the workers energetically oppose privatization and say they will take action to block it.

So the three groups dealing with the management, operation, and oversight of the nation's telecommnications system have staked out opposing positions on the fate of this vital service in the modern world.

Necessary To Invest

The chairman of the board of Emetel, Kurt Freund, has urged rapid approval of the Telecommunications Law reform bill in order to modernize the company, making it operate as a private company, and consequently able to attract foreign investment.

"We cannot continue to be left on hold, in this state of indecision about the modernization of telecommunications. Our present conditions demand that we make decisions enabling Ecuador to be competitive in this area that is vital for our national development," he stated.

Eliminating the weaknesses in Ecuador's telecommunications service will require investments of at least $1.5 billion, which the state cannot provide—but which the private sector could, if an appropriate legal framework were created, he added.

Conflict About Funds

Freund said that Emetel's investment and development plan was approved by its board of directors, but not by the Finance Ministry; the ministry supported lesser investments. This means that the company cannot proceed with its development in accordance with the terms which technical studies and the nation's situation demand.

He explained that the company has its own budget and funds, but that the government used these funds during the emergency to respond to the Peruvian military aggression, as allowed by provisions of the Budget Law. "In our assets, that is shown as a credit due to our account, and we are seeking mechanisms so that the government—by issuing bonds or some other option—will restore those funds to Emetel so we can pursue our investment plans," he added.

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Warning by the Superintendent's Office

The Office of the Superintendent of Telecommunications said that if the National Congress, the representatives of the people's will, changes the present structure of this service, the change will reflect the desire of all Ecuadorans.

It indicated that the reforms include changing Emetel from a state enterprise to a private company and selling 35 percent of the shares in the company—money which by law must go to the Solidarity Fund which has specific purposes; but it is also proposed that the projected corporation would generate funds for the proper development of the company and its services, along with profits for the general state budget.

The spokesperson warned that if it is the intention of the president of the republic that these extraordinary profits be used to guarantee a loan to cover the costs of the war, that destination must be stated in the reforms to the present law.

Workers Opposed

In the meantime, the National Federation of Telecommunications Workers energetically opposes the government's effort to privatize Emetel, and said that the president, using the war as a pretext, is attempting to alienate the company, violating both the Constitution and the current Telecommunications Law.

It said the telecommunications workers have not ruled out the possibility of taking forceful action if the National Congress approves the reform bill, and they plan to remain in permanent session in order to monitor this process, in which the government wants only to win the support of international organizations in order to pay the foreign debt.

If the reforms are passed, they must comply with current constitutional precepts which speak of licensing, not selling shares, the organization indicated.

Reform Bill

According to the bill, this process will be handled by a collegial panel called Comotel [Telecommunications Modernization Council], whose creation and start of operation would take some period of time, as it will require an infrastructure and regulations.

Another collegial organization would also be created and called Conatel [National Telecommunications Council], whose decisions would be ratified by the government, which would appoint its members. Its duties would include setting rates and fees for telecommunications services in order to generate profits for the operator, while eliminating the present powers of the Office of the Superintendent.

For these reasons, the Office of the Superintendent concludes that if the reforms of the Special Telecommunications Law are passed, "the present government would have the authority to set rates for telephone service, without requirements of a technical and legal order, and without a requirement to improve the service which the present Emetel provides."

Second Package of Constitutional Reforms Discussed

95SM0401A Guayaquil EL UNIVERSO in Spanish 20 Jun 95 p 11

[Article: "Government Employee Unions Would Be Eliminated"]

[FBIS Translated Text] Government employee unions would be eliminated by the second package of constitutional reforms passed by the National Congress, which will take effect upon its publication in the OFFICIAL REGISTER.

This was reported by the columnist Milton Alava Ormaza in the commentary titled "Explosive Changes," published yesterday in this newspaper.

In that connection, details emerged of the work of the Constitutional Affairs Commission, which was charged with studying the constitutional reform proposals sent to Congress by President of the Republic Sixto Duran-Bellen, following the referendum of 28 August.

The first part of the reform is already in effect and deals with matters on which the people had expressed themselves directly, such as those relating to dual nationality, indefinite reelection to positions of public representation, election of deputies in first-round voting, prohibition against legislators handling state funds, approval of the budget by class of expenditure, etc.

The second package of reforms was approved subsequently by Congress and addresses a variety of subjects, ranging from the philosophical part of the constitution to the organizational part. One of the subjects dealt with during this stage was the definition of the agencies that make up the public sector. This includes article 128 of the constitution, which discusses government employee unions.

Few Observations

The president of the Republic made few concrete observations regarding this packet: that documents involving national security should be excluded from the right of

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habeas data; that the public defender should be designated by the Supreme Court and not by Congress; that Congress should not have the power to call a referendum; and that the transmission of urgent economic proposals to Congress when it is in extraordinary session should not be limited.

Third Package

Congress is currently discussing the third package of reforms, which includes the more controversial subjects, such as the so-called strategic areas of the economy, social security, government worker unionism, and the appointment of justices to the Supreme Court of Justice.

If the version is confirmed that repeals Article 128 of the constitution, which addresses unionism, without something similar being substituted, it would mean that the subject has been rejected.

The executive branch's proposal on this subject was the following:

"Article... The law will guarantee the rights and establish the obligations of public servants in the civil service and the administrative career, without privilege. They are prohibited from calling strikes, taking part in or supporting strikes, and from forming unions.

"In the public sector, only workers will be protected by the Labor Code.

"Grade structure systems and special or extraordinary concessions will be valid only when they are expressly contained in law and adhere to principles of equity.

"Salaries will be proportional to the functions and responsibilities of public servants without regard to the agency in which they work."

The Commission on Constitutional Affairs is composed of the following deputies: Economist Xavier Neira, President (PSC [Social Christian Party]), Engineer Raul Baca Carbo (ID [Democratic Left]), Doctor Jose Cordero (DP [Popular Democracy Party]), Doctor Jorge Vasquez (PRE [Ecuadoran Roldosist Party]), Attorney Rodrigo Suarez Morales (ex-PCE [Communist Party of Ecuador]), Professor Juan Jose Castello (MPD [Democratic People's Movement]), Attorney Luis Gencon (PSC) and General Frank Vargas Pazos (APRE [Ecuadoran Revolutionary Popular Action]).

[Box, p 11]

Text of Article 128 of the Constitution, Which Was Reformed

"Article 128.- For the preparation and execution of state development plans, the following will be considered to be public sector entities:

"a) The several organisms and administrative dependencies of the state;

"b) The entities that make up the provincial or cantonal administration, within the sectional system; and,

"c) The juridical persons created by law for the exercise of the state's authority or for the performance of public services or for economic activities assumed by the state, and those created by sectional legislation for the performance of public services.

"Standards to establish penal, civil, and financial responsibility for the management and administration of public funds, contributions, and resources will be applied to all the employees of the entities mentioned in the previous clauses.

"The entities mentioned in clauses b) and c) will enjoy the autonomy granted in the laws establishing them, in their organization and functions. In particular, autonomy is guaranteed for provincial and municipal councils, the Ecuadoran Institute of Social Security, the Central Bank of Ecuador, the National Development Bank, the Welfare Board, the National Financial Corporation, the Ecuadoran Housing Bank, and the regional and provincial development corporations.

"The employee relations of the organisms included in clauses a) and b) or of institutions created by law for the exercise of state authority, will be subject to the laws that regulate public administration, except those that refer to the labor sector as determined in the Labor Code.

"The juridical persons created by law or by sectional legislative act for the performance of public services, or those created for economic activities assumed by the state, will regulate their relations with their employees in accordance with the Labor Code, with the exception of persons who exercise functions of an executive, managerial, representative, or advisory nature, departmental chiefs or equivalent, who will be subject to the laws regulating public administration."

[Box, p 11]

The Reform Approved by Congress

"Second Part (of the constitution) Title I The Public Sector

"Article... The public sector consists of:

"a) The executive, legislative, and judicial functions; the electoral and control organisms; and, the several dependencies of the state;

"b) The entities that comprise the Autonomous Sectional System; and,

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"c) Included here is the text of clause c), first paragraph of article 128 of the constitution."

"Article... The exercise of public office and duties constitutes a service to the community. No office holder, authority, or public servant is exempt from responsibility for the exercise of his duties. Illicit enrichment will be punished of citizens elected by popular vote, of delegates or representatives in collegial bodies of the public sector and of public servants in general, in accordance with the law.

"Those who take part in this kind of crime, although they may not hold the offices previously described, will be punished as provided by law.

"All state organizations are responsible and cannot exercise functions other than those assigned by this constitution and the law.

"Following the previous article, article 40 of the constitution is to be included in this section, as an article.

"Article 15 - Articles 39 and 128 of the constitution are revoked."

The transcribed section [the three articles in this box] was not approved by the executive branch when Congress passed it the first time and, therefore, was not the object of legislative insistence [in enacting it] that ended during the current period of extraordinary sessions of Congress.

[Box, p 11]

Unofficial Codification of the New Section That the Constitution Would Contain

"Article... The public sector consists of:

"a) the executive, legislative, and judicial functions; the electoral and control organs; and the several dependencies of the state;

"b) The entities that compose the Autonomous Sectional System; and,

"c) The juridical persons created by law for the exercise of state authority or the provision of public services or for economic activities assumed by the state, and those created by sectional legislative action for the provision of public services.

"Standards to establish penal, civil, and financial responsibility for the management and administration of public funds, contributions and resources will be applied to all employees of the entities mentioned in the previous clauses."

"Article... The exercise of public office and duties constitutes a service to the community. No office holder, authority or public servant is exempt from responsibility for the exercise of his duties. The illicit enrichment will be punished of citizens elected by popular vote, of delegates or representatives in collegial bodies of the public sector and of public servants in general, in accordance with the law.

"Those who take part in this kind of crime, although they may not hold the offices previously described, will be punished as provided by law.

"All state organizations are responsible and cannot exercise other functions than those assigned by this constitution and the law.

"All public officials, including representatives by popular election, at the beginning and the end of their terms, must present sworn declarations of property and income, in accordance with the law.

"Article... The administrative career will guarantee the rights and determine the obligations of public servants." (Text of the present article 40 of the constitution.)

Armed Forces' Human Rights Performance Praised

95SM0401B Guayaquil EL UNIVERSO in Spanish 21 Jun 95 p 3

[Article: "ALDHU: The Armed Forces Only Carried Out Deterrence"]

[FBIS Translated Text] Quito - The Executive Secretary of the Latin American Human Rights Association [ALDHU], Juan de Dios Parra, declared that the Ecuadoran military command did not engage in an unnecessary operation or a provocative incursion. It employed a strategy of containment and deterrence that made possible the limitation of the war.

Parra spoke before the military leadership upon expressing his appreciation for a medal awarded to him by the Armed Forces for courses on human rights that ALDHU had conducted for military units.

The courses were provided thanks to an agreement reached with the Armed Forces, and for which the UN had granted a nonreimbursable loan of $50,000.

In his speech of thanks for the medal, the representative of ALDHU said that Ecuadoran soldiers demonstrated a solid academic, ethical, and moral education, combined with professionalism, which enabled them to face combat with a civilized, humanitarian, and valorous attitude that was astonishing.

Parra also said, "Today we can step back and appreciate the clear thinking of the Armed Forces' high command, of then Minister of Defense General Jose Gallardo Roman, of our dear friends Miguel Iturralde, Paco

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Moncayo, Alberto Molina, and Luis Hernandez, when two years ago they extended an embrace of alliance and work to ALDHU."

The Armed Forces also awarded the Medal for Merit Atahualpa in the rank of knight commander to Minister of Urban Development and Housing Francisco Albornoz Casares, for his valuable collaboration in finding a solution for the housing problems of the next of kin of those killed in battle, and of the volunteers who were left disabled by the conflict in the Cenepa.

The ceremony was presided over by the Minister of National Defense, Army General Alfonso Alarcon Santillan, who praised the virtues of the awards recipients and expressed the appreciation of the Armed Forces and the government for the invaluable services provided to the country by those honored.

Military's New Role Seen via Gallardo Candidacy

95SM0386A Quito HOY in Spanish 19 Jun 95

[Commentary by Benjamin Ortiz Brennan: "The Military Recipe"; received via Internet]

[FBIS Translated Text] Military leaders who have sought political power have been guerrilla and rebel leaders—participants in military uprisings and disturbances—who have at gunpoint changed their military barracks for the presidential office.

Some were distinguished, like Alfaro, and others dismal, like Veintimilla. None has been connected with international wars, because little Ecuador has done so badly in these conflicts that it has been better for the commanders and their battles to be forgotten.

The Cenepa war, which took place between January and March 1995, could change the route the military have followed in pursuing political office. Tiwintza, Base Sur, Cueva de los Tayos provided Ecuador with its finest moments of armed resistance against Peru, which it accuses of having taken half of its territory throughout history.

This unusual resistance has offered the nation its first victorious heroes of republican history, for the others—while they were sacrificial offerings on the national altar—were unable to avert defeat through their sacrifice.

The victorious generals smelled the dust in the forest and the aroma of popularity in the cities. Their names have been mentioned in tones of admiration, and they have been tempted by the possibilities offered by a calmer life in politics, in a political system which is struggling with a lack of confidence in the parties and their leaders, and is looking for some miracle rejuvenation formula.

General Jose Gallardo, minister of defense during the Cenepa war and a military leader since his remote days as a cadet, seems to feel he is predestined to occupy the space which war has opened to military men in politics.

A man of legendary honesty, but also possessed of a politician's love of show, he has the calm and solemn manners of an archbishop—but, according to those who know him well, the toughness and obstinacy of a soldier in the barracks. Gallardo is famous as one of the miltary leaders responsible for the transformation of the Ecuadoran Armed Forces in the last decade. Some components of this change are the military's move closer to the people, which has produced notable successes like the control of the indigenous uprising, more by the use of civic aid than by repression; the reorientation of military equipment and training to create a small and sophisticated Army for deterrent purposes; the construction of military spaces in education; and the expansion of military business activities.

The results of this transformation have been reflected in the military successes over Peru and in the population's support for the soldiers during the conflict. The military are convinced that while the country was looking the other way in the past decade, they built the best Army in the republic's history.

There is no formal tie between General Gallardo and his military colleagues who are still in the Army. Nor have the Armed Forces become a political party; but the general-candidate does represent the new role which the Armed Forces hope to have in national life.

Gallardo does not incarnate an ideology or economic model; what he probably wants is to transfer the military lifestyle—its austerity and efficiency—to other arenas of the state and society.

He wants to show that the military recipe has broad validity, without altering the rules of representative democracy, and that it can be imposed by electoral means.

This is a different sort of proposal, whose acceptance by the population is uncertain—both because of its original content, and because the elections will take place when the glories of the battles have faded to a memory, and only the military's bills still remain to be paid.

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Military Companies Form Stock Brokerage Firm

95SM0401C Guayaquil EL UNIVERSO in Spanish 21 Jun 95 p 3

[Article: "Controversy Over Participation of the Armed Forces in the Stock Market"]

[FBIS Translated Text] The intervention of the Armed Forces in all sectors of the national economy was once again confirmed with the appearance of a new stock brokerage firm called Sibursa [Stock Market Intermediation Services] which has been in operation for over six months on the Quito Stock Market [BVQ].

Roberto Bustamente, the firm's general manager, said that the idea of forming Sibursa emerged following a period of disinvestment in the BVQ, in which the Armed Forces had stock ownership.

Sibursa, presented officially last Wednesday [14 June], was formed by seven firms close to the Armed Forces, of which the principal stock holder is the Insurance Institute of the Armed Forces, with a capital share of 50 percent. Also participating are the Army Industries Directorate [DINE], Military Air Transport of Ecuador [TAME], [Ship Transports] [Transnave], Fishing Fleet [Flopec] and the Ruminahui General Bank. Total subscribed capital of Sibursa is two billion sucres, of which one billion is paid up.

Juan Ortiz Garcia, president of Cinterval, a stock brokerage of the BVQ, commenting on the arrival of Sibursa, said that the Armed Forces wanted to be in everything—in banking, insurance, hotels, politics—and now in stock brokerage companies, as a way of expanding their power.

Ortiz said that if incursions into private areas are part of the redeployment toward peace, the Armed Forces could open their capital to the formation of firms where private capital could also participate, as this would be peaceful and democratic.

Ortiz believed that if this sector belongs to the state, we would be witnessing a process that is the opposite of privatization, which would be "in flagrant contradiction with the current trend, not only of the government, but also of world economy and politics."

Meanwhile, representatives of other stock brokerages, such as Ecofsa and Mutual Pichincha, Carlos Casares and Andres Ponce, respectively, said that, rather than causing difficulties, the participation of Sibursa would be an important contribution to the development of the stock market, nationally.

Paraguay

Chamber of Deputies Elects President, Vice Presidents

PY0407230695 Asuncion ULTIMA HORA in Spanish 30 Jun 95 p 6

[FBIS Translated Excerpt] Juan Carlos Ramirez Montalbetti of the Radical Party [Authentic Radical Liberal Party, PLRA] could barely get enough votes to be elected president of the Chamber of Deputies. He received 41 votes in a second round. Gustavo Candia, of the National Encounter Party, was elected first vice president, while Carlos Candia, of the faction headed by Hermes Rafael Saguier, was elected second vice president.

The opposition ran scared when Bernardino Cano Radil of the Colorado Party obtained 38 votes in the first round. This was possible thanks to an alliance of faction members from the camps of President Juan Carlos Wasmosy and Luis Maria Argana. Both groups hurried to negotiate with supporters of Francisco de Vargas and Saguier, who ultimately decided to vote for the PLRA candidate in exchange for the second vice presidency. [passage omitted]

Congress Approves Mercosur Customs Code

PY0507001495 Asuncion ABC COLOR in Spanish 30 Jun 95 p 12

[FBIS Translated Text] The Chamber of Deputies yesterday approved the final version of the Mercosur [Common Market of the South] Customs Code, which is part of the Asuncion Treaty. The bill will now go to the executive branch for promulgation.

Deputy Martin Sannemann, president of the Foreign Affairs Committee, explained the meaning of the code, stressing that the implementation on 1 January 1995 of a customs union within the framework of the regional integration process made the approval of a common customs code necessary.

The code will have jurisdiction over the entire territory of Mercosur, that is, Argentina, Brazil, Paraguay, and Uruguay, in addition to the territory of any state that might become part of it.

Article 3 of the code defines a number of terms used in customs legislations.

The code establishes that the sender, consignee, or person with the right to dispose of merchandise will be empowered to act directly or on behalf of an employer with whom he has permanent labor obligations, or through a representative when negotiating customs operations.

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The code establishes that the customs authority will have permanent jurisdiction over the entire territory of Mercosur. In everything involving the area and its competence and jurisdiction, the customs administration and its officials will have preeminence over the representatives of other organizations operating in the area.

This customs authority preeminence implies that all other customs authorities must cooperate with this authority when this is needed in order to fulfill its custom control duties.

With respect to customs taxes, the code establishes that taxes derived from an activity originating from customs obligations will be based on the Common External Tariff (AEC).

The code also establishes penalties for contraband, fraud, or inaccurate reporting, which will consist of fines, loss of merchandise, and in some cases loss of the transporting vehicle.

Peru

Fujimori Accused of Abandoning Reforms

95SM0388B (Internet) Peru DESCO Gopher in Spanish 16 Jun 95

[From Resumen Semanal 7-13 June]

[FBIS Translated Text]

A Confusing Situation

EXPRESO (11 June 95) carried the following report: "Recently the government has seemed to be clear and determined only when measures involving force or control are involved. It has raised barriers to prevent the entry of new participants into politics for the purpose of artificially preserving its dominant position. It has intervened in the universities' functioning and has pronounced sentence on the retired General Carlos Mauricio. At the same time, in matters having to do with the economy, reform, and social investment, a great deal of uncertainty and the absence of a chosen path can be seen. Force, on the one hand, and the lack of any real direction, on the other. It is necessary now to determine where we are headed, and this is something that is no longer so obvious. It requires further analysis and more dialogue, with a great deal of lucidity. And we will see none of these developments if all that is clear is the fact that the government is confining itself to ever smaller and more closed circles. We note, first of all, a tendency to assume that the country has now made sufficient progress in the reform area, so that we should now begin to moderate the liberal excesses." A most serious error! Reform has not been completed, nor even consolidated. It would be well for the private sector to define long-term strategies in the successful sectors—exports, garment-making, agroexports, and tourism. And the Ministry of Economy must also put its isolation and its paucity of ideas in the past. It is a fact that it is necessary to increase savings and to create a fiscal surplus, but the thesis according to which the economy is heating up again is an absurdity that serves only as a pretext for being afraid to analyze the situation and make decisions. After five years of good government and a massive reelection vote, the "reheating" is something that is beginning to happen not in the economy, but in the mind of the president and his closest associates. Therefore, with the most sincere desire to collaborate, we are making a recommendation to the chief of state—take two weeks of vacation. It is well deserved after an intensive and fruitful period of government, but it is needed, above all, so that you can choose a direction to be pursued during your present term of office. For the good of the country."

EXPRESO'S Complaints

Mirko Lauer has expressed the following views: "From the point of view of EXPRESO, Fujimori is moving away from the neoliberal course that has characterized these recent years, and beginning to plunge into waters that are more dangerous than healthy. The idea is that the government is now tired of promoting reform, and is returning to the methods of Velasco characterized by inefficiency and arbitrary action. The clear insinuation is that in so doing, Fujimori may lose all of the gains achieved. EXPRESO is beginning to sense in Fujimori what so many other sectors had already discovered along the way—the pragmatist whose policies cannot be classified in terms of principles of any kind, not even those of neoliberal radicalism. EXPRESO believes the main factor to be blamed for the turnabout it fears is the thesis of the "reheating of the economy," with its implicit requirement that adjustments and fiscal controls be reinstated. But is it true, as the EXPRESO editorial claims, that "the reheating' is something that is beginning to occur, not in the economy, but in the mind of the president and his closest associates?' To speak the truth, Fujimori appears not so much to be just another hothead as to be cautiously devoted to controlling himself in various areas. It is as if he had realized that his successes remain too good to be true. We will have to wait to see whether the source of EXPRESO's displeasure is solely the sphere encompassing its principles and theory, or if it is the expression of a specific feeling among those in the business sector." (LA REPUBLICA 13 June 95)

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'Struck Dumb With Fright'

Francisco Igartua (OIGA No. 747, 12 June 95) has written as follows: "What can we say about what we see happening around us? How can we fail to be totally disheartened when we observe the parliament limiting its own prerogatives to the benefit of the president? In other words, it is doing exactly the same thing—keeping its distance—as the German parliament did with Hitler. How can we express our amazement on seeing the chief of state undertaking magic ablutions in the frozen lagoons of witchcraft? How can we fail to clench our fists at our sense of impotence on contemplating the vile cruelty shown by the Military Supreme Court in its dealings with the retired military officers? How can one fail to understand the indignation of General Carlos Mauricio at the treatment he has received from this puppet military court made up of officers on active duty or subject to the orders of those who feel offended by the opinions of Generals Ledesma, Mauricio, Salinas, Cisneros, etc.—all of them officials who have held the highest ranks in our army! Many of the things I have listed here have left me speechless with fright."

Congress: New Bylaws Approved; Reactions Reported

95SM0388A (Internet) Peru DESCO Gopher in Spanish 16 Jun 95

[From Resumen Semanal 7-13 June]

[FBIS Translated Text] The Constitution Commission, of which Carlos Torres y Torres Lara is the chairman, has approved new amendments to the congressional bylaws. From now on, for example, changes in the agenda of the regular sessions will require the approval of only a majority of the congressmen present for the vote—which will make it possible to introduce some "smuggled" proposals during the plenary sessions, opposition representatives warned. To some extent, this measure alters the earlier provision that all subjects for debate had to have the prior approval of the Board of Officers. It was agreed that this clause would be retained, but the possibility was left open that in course of debate, a plenary session could alter the agenda "with an affirmative vote by a majority of the congressmen present." This provoked some protests from Henry Pease, who maintained that this situation could lead in the future to the unexpected approval of a series of surprise laws, such as the law ordering the reorganization of the universities. (Most dailies 7 June 95)

UPP Statement

In a document released on 12 June, the Union of the Peruvian People [UPP] denounced the government party's desire to obtain surprise approval of laws without allowing for a prior understanding of their texts, and to limit the parliamentary minorities by means of amendments made to the draft bylaws of that legislative institution. Concerning this last aspect, the UPP announced that it rejects the regulation designed to govern the functioning of the recently elected Congress because of the "obvious antidemocratic intention of converting it in practice into a chorus echoing government plans, as revealed by the exceptionally restrictive limits placed on the rights of the minorities and the very autonomy of the legislative branch." The UPP voiced its desire to reach agreement with the other democratic opposition forces on a demand for "correction of these and other provisions that seek to limit these groups' right of supervision and their duty to offer alternatives, and to make themselves heard on all issues of national interest, rendering honor to the popular mandate received by our representatives in the Congress."

In this connection, congressman-elect Javier Alva Orlandini (AP) [Popular Action] said: "All of the actions of the government majority in the CCD [Democratic Constituent Congress] have had this same anticonstitutional and antidemocratic orientation. In order to explain this absurd attitude, we need only remember the antidemocratic origin of CCD itself, which was born of a coup d'etat," he commented. Alva said that President Fujimori's government, continuing in this same unconstitutional vein designed to destroy all democratic institutions, is now trying to impose on the next Congress a majority of 67 members who only represent 2.2 million voters. Another member-elect of the next Congress, Javier Diez Canseco (IU) [United Left], said in turn that his political organization rejects the illegal action of the government majority in the CCD that is refusing to recognize that the regular legislative session ended on 31 May. "This provision is right in the bylaws of the CCD themselves. Now the majority wants to approve very important laws without the convocation of a special legislative session with a set agenda, as the Constitution requires," he explained. (EL COMERCIO, LA REPUBLICA 12 June 95)

Hard Times Coming?

The weekly periodical SI (No. 430, 12 June 95) reported as follows: "On Friday, 9 June, the Democratic Constituent Congress approved the new congressional bylaws that will govern the parliamentary representatives scheduled to take office on 28 July. Consistent with the practice now in vogue, this was done suddenly.

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One of the most controversial articles is No. 55, which says that The ordinary plenary sessions of the Congress will be held in accordance with the agenda approved by the Board of Officers. However, during the course of debate, the plenary session may approve changes in the agenda with an affirmative vote by a majority of the congressmen present.' In other words, this surprise legislative maneuver, which the CCD has used in important cases, is now endorsed and frozen into a regulatory formula. Given a generous government majority, as well as its iron discipline, it is now guaranteed that in the future the majority will obtain approval of what it wants. The silent majority and the mute minority—such is the parliamentary ideal of the new democracy. A spontaneous question arises. Why, now that a new congress has already been elected in which the majority retained a hegemonic margin, are the new representatives not being allowed to change and refine the new bylaws? Once again, the impression given out is that hard times are coming in which no opportunity should be allowed for polemic discussion, criticism, or other such trifles."

Something That Must Not Happen

EXPRESO (13 June 95) expressed the following view. "Today the Congress is supposed to discuss the new draft of its bylaws. There are provisions in the proposal designed to produce treacherous surprises—to prevent sufficient debate on certain issues to make possible an evaluation of whether or not the law is desirable. This is true, for example, of the article that provides that the Congress can decide by a simple majority that a draft law can be presented without having previously been voted out of committee. In other words, the executive branch could submit a draft law at the eleventh hour and request a waiver of the commission procedure, which could be approved by a simple majority, and immediately afterward obtain its passage. The issue is such a serious one that the Constitution itself, in its Article 105, provides that "No draft law can be approved without having previously been approved by the respective commission responsible for an opinion, except in the special circumstances set forth in the congressional bylaws. Naturally, a provision has been made for exceptions. There could be matters of extreme national urgency that require the greatest speed. But this is different from providing a method of approving projects almost in secret—projects about which discussion is not wanted, for one reason or another. As protection against this kind of abusive possibility, the Constitution provides that the bylaws must specify the circumstances in which an exception may be made to the commission report requirement. But the draft bylaws being discussed today make no mention of any such specific circumstances. What is the reason for the existence of the Congress, then? And the procedure is even more abnormal when it is a question of a unicameral congress—wherein, to a much greater extent than in a bicameral congress, there must be instances responsible for reviewing the initiatives of the executive branch, as well as its own. Something is happening that must not be allowed."

Venezuela

Caldera Delivers Independence Day Address

PA0507183795 Caracas Venezolana de Television Network in Spanish 1323 GMT 5 Jul 95

[Speech by President Rafael Caldera, on the occasion of Independence Day, from the Congress Elliptic Room of the Federal Palace in Caracas — live relay]

[FBIS Translated Text] Most Excellent Mr. President of the Federative Republic of Brazil; Mrs. Cardoso; citizen president and vice president of Congress; citizen president and magistrates of the Supreme Court of Justice; citizen prosecutor general; comptroller general and attorney general of the Republic; citizen president and members of the Supreme Electoral Council; citizen president and magistrates of the Judiciary Council; citizen former presidents of the Republic; citizen former president of the Government Junta; most excellent bishop and apostolic administrator of the Caracas Archdiocese; citizen ministers; citizen governor of the Federal District; most excellent apostolic nuncio and doyen of the diplomatic corps; most excellent messr. ambassadors; honorable charge d'affaires; representatives of international organizations; citizen senators; citizen deputies; citizen generals and admirals of the Military High Command; most excellent auxiliary bishops; citizen mayors of the metropolitan area; citizen presidents and directors of national academies; citizen university rectors; citizen presidents of autonomous institutes and state owned companies; citizen representatives of public and private organizations and institutions; distinguished ladies; people of Venezuela:

On 5 July 1811, a group of illustrious men, representing all people of Venezuela — who at that time were scarce and poor but with an incredible ability for greatness and heroism — declared solemnly before the world their unyielding determination to assume forever the exercise of their full national sovereignty. Each 5 July, year after year, it is imperative to reaffirm that goal, to reaffirm that commitment, to strengthen that undeclinable determination to maintain and defend our sacred honor despite all obstacles.

We are here today — with the most profound conviction that the liberty that was conquered is still fully prevalent, that sovereignty, which was secured through the

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tremendous efforts and generous sacrifice of heroes and martyrs and which is firmly in the grasp of the people — to proclaim that Venezuela is a free and sovereign fatherland committed to the struggle for history, justice, and peace, a Venezuela determined to remove obstacles and to take all the necessary steps to move forward along the path of its economic and social development.

No day is more appropriate than this one, during which we commemorate our memorable independence, and ponder the significance of these difficult and challenging times in which we are living. The human fabric of Venezuelans has been tested throughout the 184 years since 5 July 1811.

At this time, which is a precursor of great transformations that will bring about a new millennium of Christianity in our country, a new society is about to be born, must be born, and will be born indefectibly. It will be a democratic society that will not repeat the myth of Sisyphus, a society inspired in genuine and sincere patriotism, guided by social justice, determined to give all the country's inhabitants the possibility of obtaining, through their work, the due benefits from the resources that providence has placed on our soil to forge a better future for them, their children, and the children of their children, who are stubbornly willing to find the greatest possible happiness, which was for the liberator the main goal of the best government system.

We are committed to building a new country. In it, we will not renounce the institutional objectives achieved through a centuries old struggle. We will, rather, strengthen these objectives with the accomplishments made and those we are duty bound to carry out, because our society has grown in democracy. Its institutions, associations, and organizations have developed. In addition, the number of working Venezuelans with levels of training from formal education and experience has increased significantly. They have reached levels never attained before.

Those who have enjoyed a lengthy life, thank God, and have been able to observe and live intensely the transformation of national life can measure the long way our country has traveled. Our community has grown. Our civilian society as well as our political organization have evolved, but we are aware of the unpostponable need to allow more participation, to allow greater personal action, greater levels of association. To this end, it is essential to recover our creative capacity, solidarity, and unyielding resolve, which we have demonstrated collectively at the most important moments of our history, measuring up to the challenges posed by the different times before ourselves to measure our courage and deep national identity.

We are facing one of those difficult moments that has served to demonstrate our human condition and to pay Venezuela a special tribute among a family of nations in which our position must conform to our limitations and scope. To accomplish our goals, we must be aware of our capabilities and overcome obstacles accumulated during decades of errors and mistakes.

We must overcome the resistance to transform the financier [rentista] structure of our economy, prone to leisure and overspending. We must establish an economy based on work and cooperation. We must also abandon a mental habit of blaming everything, the good and bad, on the government, to the detriment of the key role of society. All of this involves undertaking the delicate task of rebuilding a social life, shattered by selfishness, disintegrated by incapability and slander, and corroded by corruption. It is a formidable task which cannot be achieved in a short period of time and which requires the effective willingness of the entire national community. Each segment of the community must work within its own and legitimate area to guarantee the great task of achieving national development and happiness.

It is time to renew the sacred commitment to triumph over adversities standing in our way, supported by the faith in our characteristics as a people. By recovering our self-esteem as a nation, we will overcome the obstacles posed by the burdens accumulated in recent times to our development. These burdens stem from the weight of the debt, irresponsibly acquired and carelessly spent, to the institutional dismantling of public branches of power at the national, regional, and local level. They also include the disequilibrium of a civilian society where there are sectors, such as the university sector in the field of education or the banking sector in the field of economy, that have consumed a disproportionate amount of community resources.

These burdens also include the joint evils of drugs and crime and the deterioration of the natural urban environment, a deterioration we must fight with our love for our land and will for conservation.

In the face of the challenge of this historical moment, we reiterate our call to have confidence and hope, not to return to structures of the past but to rebuild the country, or, better said yet, to construct a new country, to pave, in freedom and peacefully, the path for a new society, a society struggling to be born. It is not impossible. Our effort has been to remind our compatriots and all inhabitants of Venezuela that there is no other alternative. As it was said in heroic times, it is necessary to succeed.

This is the course we have set, but it has been, and is our duty, to repeat a thousand times that it is everyone's

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task to take this course. It is not the solitary duty of the administration. Civilians and military members, leaders and people, men and women, young and old — everyone has a role to play in this national duty.

Regarding this point, it is opportune to stress that at the Council of Ministers tomorrow, when we affix the Let This Be Executed on the Financial Emergency Law, I will decree the restoration of the constitutional guarantees that have been suspended for a year because of the serious emergency situation the country has experienced.

The dialogue to overcome the absence of an adequate legislation for the emergency has been long and difficult, but national interest has prevailed in our effort to find, in the various opinions and options, formulas of agreement to tackle the social and economic needs and problems within the law.

Regardless of the observations made on certain aspects of the laws sanctioned by Congress, the understanding reached by the executive and legislative branches paving the way for other agreements needed to heed to the nation's demands must be viewed as a positive sign for stability and progress.

The reiteration of our optimism about the country's reality and future is not an opportunist action. We know the struggle to reach our goals is not an easy task. The achievements made are not a simple show to obtain immediate effects. Their results cannot be seen in the short term. We do not intend to be error free. We all have made mistakes. We and any other officials in charge of the social process have made mistakes, but despite the mistakes and any possible failures, the important thing is to keep the course, with a firm hand and a determined intention to carry out a positive reconstruction.

We are privileged on this memorable day to have the presence of one of the most illustrious statesmen of one of the most important countries of this continent. We have here Brazilian President Fernando Henrique Cardoso, an economist, sociologist, and politician. He is a profound thinker and valuable man of action who honors us by accompanying us on the celebration of our national holiday.

The current relations between Brazil and Venezuela are a sign of solidarity and hope. The possibilities for cooperation between the two nations are innumerable. The rapprochement between these two nations, neighbors along an extensive border that had grown distant for a long time, helps foster the great cause of Latin American integration and the same wish for hemispheric integration.

We have always that said a morbid inferiority complex has caused extensive damage throughout Latin America. The colonialist mentality of not just a few of its governments has been more harmful than the imperialist mentality of the major developed nations. The forefathers of our independence never suffered from that inferiority complex; nor do we. We have faith in ourselves, without any inadequate arrogance. We have confidence in our people's capability to undertake the responsibility of charting their own destiny.

With arms open, we invite the other nations of the world to participate in our development, but, by all means, reaffirming our right to deal with our own behavior ourselves. Fernando Enrique Cardoso is one example we must admire. We must examine his experience. Venezuela is committed, as is Brazil, to the ideal of guiding Latin America into the 21st century with a clear course, determined energy, and firm conviction. All our nations face significant difficulties, and we are certain all have the unbending determination to overcome them.

I warmly salute all Venezuelans with this faith in the future. I salute all those who live in our land, public and private organizations, our sister nations, and all the friendly nations of America and the world. Upon this 50th anniversary of the foundation of the United Nations, there is more than enough reason to have strong hope for justice and peace for all men of goodwill. We will work tirelessly toward these goals, and success will be our highest reward.

Suriname

Suriname Joins Caricom 4 Jul

BR0507130695 Rotterdam ALGEMEEN DAGBLAD in Dutch 4 Jul 95 p 4

[Report by Clarisse Buma: "Suriname Joins Economic Union"]

[FBIS Translated Text] Paramaribo — Today Suriname will take an historic step in its still brief history as an independent country by becoming the 14th member state to join Caricom (Caribbean Community). That will take place during a conference of heads of state in the Guyanese capital Georgetown.

It is a milestone not only for Suriname, but also for Caricom itself, because Suriname is the first non-English speaking member state in the middle of former British colonies. "Suriname is a pioneer in breaking through the historical barriers within Caricom," said Secretary General Edwin Carrington.

Caricom is a political and economic bloc comparable to the European Union and was set up in 1973.

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The Caribbean union brings together a number of small states which together number only 6 million inhabitants: Jamaica, Trinidad, Barbados, Dominica, Antigua, Montserrat, St. Vincent, St. Kitts-Nevis, St. Lucia, Grenada, and the Bahamas in the Caribbean area, plus Central American country Belize and Suriname's neighbor Guyana.

Even though the Caricom countries are small, Suriname's step is very important. According to Foreign Minister S. Mungra, joining is a simple necessity. Throughout the world there is a trend towards the formation of blocs and increases in scale, he said. "We cannot lag behind, we must join in," the minister said.

It is not surprising that Caricom's economic challenges are stressed above all. Suriname is to enter a market which is many times bigger than its own market (400,000 inhabitants). "We can wait until we have 5 million people, but then we are five generations further on. Or we join an economic bloc," said Mungra.

However, there are also dangers looming. The creation of an open market will lead to increased competition and Suriname could be overrun with products from the other countries. In addition skeptics warn that membership is not a solution for economic decline. After all, Caricom itself is also a problematic market.

Through Caricom Suriname can get itself out of its long isolation. The Hague made the country independent in 1975 without there being new allies. Because of this, Suriname remained oriented toward the distant motherland. With Caricom a step is being made toward real integration in the region. Membership does not mean that the relationship with The Hague is being run down. There have even been voices calling for the links to be made closer again. Mungra puts it this way: "Caricom is not breaking with the Netherlands; it wants the Netherlands — plus."

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